A. K. Capital Services Limited

BUILDING BONDS

Annual Report 2014-2015

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Subhash Chandra Bhargava
Non-Executive Chairman, Independent Director
(DIN: 00020021)

Mr. A. K. Mittal
Managing Director
(DIN: 00698377)

Mr. Deepak Mittal
Whole-time Director
(DIN: 00043685)

Mr. Subhash Chander Madan
Independent Director
(DIN: 00785025)

Mr. Raghubinder Rai
Independent Director
(DIN: 00851994)

Mrs. Anshu
Non-Executive Director
(DIN: 01227279)

CHIEF FINANCIAL OFFICER
Mr. Vikas S Agarwal (Resigned w.e.f. May 24, 2015)
Mr. Mahesh Bhootra (Appointed w.e.f. May 24, 2015)

COMPANY SECRETARY
Ms. Kanchan Singh
(ACS No.: A24596)

STATUTORY AUDITORS
M/s. Suresh Surana & Associates LLP
Chartered Accountants
[Firm Registration No. 121750W/W-100010]

BANKERS
Bank of India
HDFC Bank
Federal Bank
Punjab National Bank

REGISTRAR AND SHARE TRANSFER AGENT
Abhipra Capital Limited
Abhipra Complex, A-387, Dilkhush Industrial Area, G.T. Karnal Road, Azadpur, New Delhi – 110 033
Tel: +91-11-42390900, Fax: +91-11-27215530, website: www.abhipra.com

CORPORATE IDENTIFICATION NUMBER
L74899DL1993PLC055524

REGISTERED OFFICE
Flat N, Sagar Apartment, 6, Tilak Marg, New Delhi – 110 001
Tel: +91 11 23381561, Fax: +91 11 23385189, website: www.akcapindia.com

CORPORATE OFFICE
30-39, 3rd Floor, Free Press House, Free Press Journal Marg, 215 Nariman Point, Mumbai – 400 021
Tel: +91 22 66349300, Fax: +91 22 66100594, website: www.akcapindia.com

DIRECTORS' REPORT

To the Members of A. K. Capital Services Limited,

The Directors of your Company take pleasure in presenting the 22nd Annual Report on the business and operations of your Company along with the audited statement of accounts for the financial year 2014-15:

FINANCIAL HIGHLIGHTS

A summary of the financial performance of the Company, both on consolidated and standalone basis, for the financial year 2014-15 as compared to the previous financial year is given below:,

Consolidated financial highlights of A. K. Capital Services Limited and its subsidiaries

(₹ in Crore except per share data)

Particulars	2014-15	2013-14
Total income	254.67	244.98
Total expenditure	195.57	191.90
Profit before tax	**59.10**	**53.08**
Provision for taxes	17.64	17.69
Profit after tax	**41.46**	**35.39**
Less: Share of minority interest and adjustment on account of further investment in Subsidiary Company	0.32	0.20
Profit for the year	**41.14**	**35.19**
Add: Surplus brought forward from previous year	244.75	219.46
Profit available for appropriation	**285.89**	**254.65**
Less: Appropriations		
Proposed dividend	3.96	3.96
Transfer to general reserves	1.90	2.10
Transfer to special reserves	4.19	2.63
Dividend distribution tax	0.79	0.67
Surplus carried to the Balance Sheet	**275.05**	**245.29**
Earnings per equity share (face value ₹ 10 per share)		
Basic (₹)	62.34	53.32
Diluted (₹)	62.34	53.32

Standalone financial highlights of A. K. Capital Services Limited

(₹ in Crore except per share data)

Particulars	2014-15	2013-14
Total income	97.66	97.55
Total expenditure	69.97	66.73
Profit before tax	**27.69**	**30.82**
Provision for taxes	9.39	10.53
Profit after tax	**18.30**	**20.29**
Add: Surplus brought forward from previous year	210.22	197.16
Profit available for appropriation	**228.52**	**217.45**
Less: Appropriations		
Proposed dividend	3.96	**3.96**
Transfer to general reserves	1.90	2.10
Dividend distribution tax	0.79	0.67
Surplus carried to the Balance Sheet	**221.87**	**210.72**
Earnings per equity (face value ₹ 10 per share)		
Basic (₹)	27.74	30.74
Diluted (₹)	27.74	30.74

FINANCIAL PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

The consolidated turnover of your Company stood at ₹ 254.67 Crore for the financial year ended March 31, 2015 as against ₹ 244.98 Crore for the previous year. The consolidated profit before tax is ₹ 59.10 Crore for the current year as against ₹ 53.08 Crore in the previous year. After making provision for tax, the consolidated net profit of your Company is ₹ 41.46 Crore as against ₹ 35.39 Crore in the previous year.

On standalone basis, your Company earned gross income of ₹ 97.66 Crore during the year under review as against ₹ 97.55 Crore reported in the previous year. The profit before tax is ₹ 27.69 Crore as against the ₹ 30.82 Crore during the previous year. After making provision for tax, the net profit of your Company is ₹18.30 Crore as against the net profit of ₹ 20.29 Crore in the previous year.

DIVIDEND ON EQUITY SHARES

The Board of Directors are pleased to recommend a final dividend of 60% i.e. ₹ 6/- per equity share (on the face value of ₹ 10/- per equity share) on 6,600,000 equity shares for the financial year 2014-15. The amount of dividend on equity shares and tax thereon aggregates to ₹ 4.75 Crore.

The payment of the final dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting and shall be paid to those members whose names appear in the Register of Members as on Tuesday, September 15, 2015. The Register of Members and Share Transfer Books will remain closed from Wednesday, September 16, 2015 to Saturday, September 19, 2015, both days inclusive. The Annual General Meeting of the Company is scheduled to be held on Saturday, September 19, 2015.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 1.90 Crore to the General Reserve.

SUBSIDIARIES

As on March 31, 2015, your Company had 5 subsidiaries viz. A. K. Stockmart Private Limited, A. K. Capital Corporation Private Limited, A. K. Wealth Management Private Limited, A. K. Capital (Singapore) Pte. Ltd. and A. K. Capital Finance Private Limited.

On consolidated basis, your Company posted consolidated revenue of ₹ 254.67 Crore and a consolidated profit after tax (after minority interest) of ₹ 41.14 Crore.

The Consolidated Financial Statements has been prepared in accordance with the Accounting Standard 21 - Consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rules, 2006 and forms part of this Annual Report.

In terms of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of financial statements of subsidiaries in form AOC - 1 as prescribed in the Companies (Accounts) Rules, 2014 forms a part and annexed to the Annual Report under note no. 32 (b).

The financial statement of the subsidiary companies have been placed on the website of the Company www.akcapindia.com. Any member interested in obtaining a copy of financial statement of the subsidiaries may write to the Company Secretary, at the Registered Office of the Company.

MATERIAL SUBSIDIARIES

As per Clause 49(V) of the Listing Agreement, the Company has two material non listed subsidiaries. The Policy for determining the material subsidiaries has been formulated and adopted by the Board. The Policy may be accessed on the Company's website at link: http://www.akcapindia.com/WebSiteDocuments/Policy%20for%20Determining%20Material%20Subsidiary.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2015, the Board of Directors of your Company comprised of six Directors of which two are Executive Directors, one Woman Director who is a Non-Executive Non-Independent Director and three are Non-Executive Independent Directors. The Chairman of the Company is Non-Executive Independent Director and 50% of the total numbers of Director are Independent Directors. The composition of the Board is in consonance with Clause 49 of the Listing Agreement, as amended from time to time, and in accordance with the applicable provisions of the Companies Act, 2013.

In accordance with the Articles of Association of the Company and the provisions of the Section 152(6)(e) of the Companies Act, 2013, Mrs. Anshu (DIN: 01227279), Non-Executive Non-Independent Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

In accordance with the provisions of Section 196, 197, 198 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company is seeking appointment of Mr. A. K. Mittal (DIN: 00698377) as Managing Director and Mr. Deepak Mittal (DIN: 00043685) as Whole-time Director for the period of five years. The said Directors fulfill the conditions specified in abovementioned provisions of the Companies Act, 2013 and the rules made thereunder for their appointment.

The following persons are the Key Managerial Personnel (KMP's) of the Company as per the provisions of the Companies Act, 2013.

Mr. A. K. Mittal	-	Managing Director
Mr. Deepak Mittal	-	Whole-time Director
Mr. Mahesh Bhootra	-	Chief Financial Officer
Ms. Kanchan Singh	-	Company Secretary

In terms of provisions of section 203 of Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Vikas S Agarwal, Chief Financial Officer (CFO) of the Company resigned with effect from May 24, 2015 and Mr. Mahesh Bhootra (CA Membership No: 120867) has been appointed as Chief Financial Officer (CFO) of the Company with effect from May 24, 2015. Mr. Vikas S Agarwal has been with the Company for the past 11 years and has contributed in multiple areas. The Company thanks him for his dedication and valuable contribution.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

EVALUATION OF THE PERFORMANCE OF THE BOARD

The Board has framed an Evaluation Policy (the Policy) for evaluating the performance of the Board, Chairman, Managing Director, Whole-time Director, Independent Directors, Non-Executive Director and its Committees. Based on the same, the performance was evaluated for the financial year ended March 31, 2015. A meeting of the Independent Directors was held during the year under review.

The Policy *inter alia* provides the criteria for performance evaluation such as Board effectiveness, quality of discussion contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection of Directors, determining Directors independence and payment of remuneration to Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Policy is attached as **Annexure - 1** to this Report. The details of the Nomination & Remuneration Committee are stated in the Corporate Governance Report.

BOARD COMMITTEES

Your Company has four Committees of Board, viz:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in 'Corporate Governance Report' forming part of the Annual Report.

AUDIT COMMITTEE OF THE COMPANY:

The Company's Audit Committee comprises the following Directors:

Sr.	Name of the Members	DIN	Designation
1	Mr. Subhash Chander Madan	00785025	Chairman (Independent Director)
2	Mr. Raghubinder Rai	00851994	Member (Independent Director)
3	Mr. A. K. Mittal	00698377	Member (Managing Director)

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange (BSE).

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on the Company's policies and business performance apart from other Board matters.

During the financial year 2014-15, four Board Meetings were held on May 25, 2014, August 2, 2014, November 14, 2014 and February 7, 2015. The gap between the two board meetings did not exceed 120 days.

The details of the meetings of the Board of Directors held during the financial year 2014-15 are set out in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. in preparation of the annual financial statements for the financial year 2014-15, the applicable accounting standards have been followed and there are no material departures from the same;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the financial year 2014-15 ended on that date;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the annual accounts on a 'going concern basis';
5. the Directors have laid down proper internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively;
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that the systems are adequate and are operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee (CSR Committee) and the CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: http://www.akcapindia.com/WebSiteDocuments/CSR_Policy.pdf

As part of its initiatives under “Corporate Social Responsibility” (CSR), the Company has undertaken project in accordance with Schedule VII of the Companies Act, 2013.

The Company has donated towards the following initiatives:

1. For promoting education.
2. For promoting preventive health care and sanitation
3. For empowering woman and setting up homes.

The details of CSR activities undertaken by the Company is attached as **Annexure - 2** and forms an integral part of this Report.

WHISTLEBLOWER POLICY AND ESTABLISHMENT OF VIGIL MECHANISM

In accordance with the provisions of Section 177 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company has established Vigil Mechanism and also adopted a Whistleblower Policy under the surveillance of the Audit Committee. The Company has adopted work culture which ensures highest standards of professionalism, honesty, integrity, moral and ethical behavior. The Policy may be accessed on the Company's website at the link:

www.akcapindia.com/WebSiteDocuments/Whistle%20Blower%20Policy%20and%20Establishment%20of%20Vigil%20Mechanism.pdf

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. During the financial year 2014-15 no cases in the nature of sexual harassment were reported at any work place of the Company.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT

The Management Discussion and Analysis for the financial year 2014-15 and the report of the Directors on Corporate Governance as required under Clause 49 of the Listing Agreement, are given in separate sections forming part of the Annual Report.

A certificate from the Statutory Auditors of the Company, M/s. Suresh Surana & Associates LLP, Chartered Accountants (Firm Registration No. 121750W/W-100010) confirming compliance with the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement is annexed to the report of the Directors on Corporate Governance.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Company has a well-defined risk management framework and maintains adequate internal control systems. The Risk Management and Internal Control System thereof are discussed in detail in the Management Discussion and Analysis report that forms part of the Annual Report.

STATUTORY AUDITORS

M/s. Suresh Surana & Associates LLP, Chartered Accountants, (Firm Registration No. 121750W/W-100010), Mumbai, Statutory Auditors of your Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a confirmation from M/s. Suresh Surana & Associates LLP, Chartered Accountants, (Firm Registration No. 121750W/W-100010), to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and the rules framed thereunder and that they satisfy the criteria given under Section 141 of the Companies Act, 2013.

The Audit Committee and Board of Directors have recommended the re-appointment of M/s. Suresh Surana & Associates LLP, Chartered Accountants, (Firm Registration No. 121750W/W-100010), as the Statutory Auditors of your Company.

SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s Ashish Bhatt & Associates (C.P.No: 2956), a firm of the Company Secretaries in Practice to conduct the Secretarial Audit of the Company. The Secretarial Audit Report is appended as **Annexure - 3** to this Report.

PUBLIC DEPOSITS

During the financial year 2014-15, your Company did not invite or accept any public deposits.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS BY THE COMPANY

Details of Loans, Gurantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in “Notes to the Financial Statements”.

RELATED PARTY TRANSACTION

All contracts /transactions entered by the Company during the year with related parties were on an arm's length basis. The Company has complied with the provisions of section 188 of the Companies Act, 2013 read with rule of Companies (Meetings of Board and its Powers) Rules, 2014 and the amendments made thereto from time to time. The Company has not entered into any transaction which can be considered as material in accordance with Clause 49 of Listing agreement and the Policy of the Company.

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 are appended as **Annexure - 4** to this report.

The details of related party transactions carried out by the Company are also set out in note no.31 to the Financial Statements.

The policy on materiality and dealing with related party transactions may be accessed on the Company's website at the link: http://www.akcapindia.com/WebSiteDocuments/Policy%20on%20Materiality%20and%20Dealing%20with%20Related%20Party%20Transactions.pdf

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the year under review there were no significant or material changes affecting the financial position of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the

Companies Act, 2013 read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company.

Your Company has no foreign exchange earnings during the financial year 2014-15. The information on foreign exchange outgo is furnished in the "Notes to the Financial Statements" under note no. 28 which forms part of this Annual Report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 20, 2014 (date of last Annual General Meeting) on the website of the Company (www.akcapindia.com), as also on the Ministry of Corporate Affairs website.

EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT - 9 is given in the Annual Report as **Annexure – 5.**

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report and is attached as **Annexure - 6** and forms an integral part of this Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection by the Members at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on any working day (Monday to Friday) upto the date of 22nd Annual General Meeting of the Company. Any Member is interested in obtaining such information may write to the Company Secretary and the same will be furnished on such request.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the Government Authorities, Regulators, Stock Exchanges, Bankers of the Company, Other Statutory Bodies, etc. during the year under review. Your Directors would also like to take this opportunity to express their gratitude to the members of the Company for their trust and support. The Board also wishes to thank the employees of the Company and its subsidiaries at all levels for the dedicated services rendered by them. Your Directors look forward to your continuing support.

On behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Whole-time Director
(DIN: 00043685)

Date: August 14, 2015
Place: Mumbai

ANNEXURE - 1

NOMINATION AND REMUNERATION POLICY

INTRODUCTION:

The only vital value an enterprise has is the experience, skills, innovativeness and insights of its employees. A. K. Capital Services Limited (the "Company") believes in transparency in evaluating the performances of its Directors, Key Managerial Personnel's (KMPs) and Senior Management of the Company and paying equitable remuneration to them. The Company recognizes its Directors, Key Managerial Personnel (KMP) and Senior Management as an invaluable asset.

In terms of the provisions of the Companies Act, 2013 and the Listing Agreement (as amended from time to time), this policy has been formulated by the Nomination and Remuneration Committee and approved by the Board.

OBJECTIVES OF THE POLICY:

The Key objectives of the Policy would be:

a) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

b) That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

c) To formulate criteria for evaluation of annual performance of the Board of Directors and Members of other Committees of the Board, KMP's and Senior Management and other employees of the Company and recommend remuneration payable to them to the Board.

d) Formulate criteria for evaluation of Independent Directors and the Board.

e) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.

f) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

g) Assist the Board in fulfilling responsibilities.

h) To retain, motivate and promote talent and to ensure their sustainability and create competitive advantage.

i) Implement and monitor policies and processes regarding principles of corporate governance.

DEFINITIONS:

a) ***'Act'*** means the Companies Act, 2013 and the rules framed thereunder as amended from time to time.

b) ***'Board of Directors'*** or '***Board'*** in relation to a company, means the Board of Directors of the Company.

c) ***'Director'*** means Directors of the Company.

d) ***'Independent Director'*** means an independent director referred to in sub-section (5) of section 149 of Companies Act, 2013.

e) '***Key Managerial Personnel'*** means

   a) Managing Director, or Chief Executive Officer or Manager and in their absence a Whole-time Director;

   b) Chief Financial Officer;

   c) Company Secretary; and

   d) Such other officer as may be prescribed.

f) ***'Policy'*** means Nomination and Remuneration Policy of the Company.

g) ***'Senior Management'*** means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

INTERPRETATION:

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other regulations as may be amended from time to time.

APPLICABILITY OF THE POLICY

This Policy is applicable to:

a) Directors viz. Executive, Non-executive and Independent

b) Key Managerial Personnel

c) Senior Management Personnel

NOMINATION AND REMUNERATION COMMITTEE OF THE COMPANY:

The Board of Directors of the Company have constituted the Committee to be known as the Nomination and Remuneration Committee consisting of three or more Non-Executive Directors out of which not less than one-half are Independent Directors. The Chairman of the Committee is an Independent Director. The Chairman of the Company (whether executive or nonexecutive) may be appointed as member of the Nomination and Remuneration Committee but shall not Chair such Committee.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

I. APPOINTMENT AND QUALIFICATION CRITERIA

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee shall have the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

c) Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules made thereunder.

d) The Company shall not appoint or continue employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

II. TERM/TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

III. EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

IV. REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

V. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS, KMP AND SENIOR MANAGEMENT

I. REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR, KMP AND SENIOR MANAGEMENT:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

II. REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes mentioned above if the following conditions are satisfied:

i) The Services are rendered by such Director in his capacity as the professional; and

ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

III. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- to consider any other matters as may be requested by the Board.
- Professional indemnity and liability insurance for Directors and senior management.

REVIEW AND AMENDMENT IN POLICY:

The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary. The Company shall reserve the rights to make amended to the Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force.

DESSIMINATION

The details of the Policy and the evaluation criteria as applicable shall be published on Company's website and accordingly disclosed in the Annual Report as part of Board's report therein.

ANNEXURE - 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

   a. The CSR Policy of the Company contains the activities that can be undertaken by the Company for CSR, composition of CSR Committee, role of CSR Committee, implementation of CSR Policy.

   b. The CSR Policy is hosted on the Company's website viz., http://www.akcapindia.com/WebSiteDocuments/CSR_Policy.pdf

2. The Composition of the CSR Committee:

   a) Mr. Subhash Chander Madan (Chairman & Independent Director)

   b) Mr. A. K. Mittal (Managing Director)

   c) Mr. Deepak Mittal (Whole-Time Director)

3. Average net profit of the company for last three financial years: ₹ 418,011,682/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 8,360,234/-

5. Details of CSR spent during the financial year.

   (a) Total amount to be spent for the financial year (Actual Spent during the year): ₹ 8,013,864/-

   (b) Amount unspent, if any: ***₹ 346,370/-***

   (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or Activity indentified	Sector in which the Project is covered	Projects or Programs 1.Local area or other 2.Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Programs wise	Amount spent on projects or programs SUB HEADs: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1 (a)	Donation for promoting education	Educational	Nasik, Maharashta	450,000	Direct - Nil Overheads - 450,000	450,000	Implementing Agency
(b)	Donation for promoting education	Educational	Bangalore, Karnataka	7,500,000	Direct - Nil Overheads - 7,500,000	7,950,000	Implementing Agency
2 (a)	Donation for promoting preventive health care and sanitation	Health Care	Mumbai, Maharashtra	14,063	Direct - Nil Overheads - 14,063	7,964,063	Implementing Agency
(b)	Donation for promoting preventive health care and sanitation	Health Care	Mumbai, Maharashtra	34,801	Direct - Nil Overheads - 34,801	7,998,864	Implementing Agency
3	Donation for empowering woman and setting up homes	Setting Up Homes	Mumbai, Maharashtra	15,000	Direct - Nil Overheads - 15,000	8,013,864	Implementing Agency

Details of Implementing Agency:

Sr. No.	Name	Address
(1) (a)	Ashoka Education Foundation	Ashoka Marg, Wadala, Nasik - 422 006.
(1) (b)	Azim Premji Foundation for Development	PES Institute of Technology Campus, Pixel Park, B Block, Electronics City, Hosur Road (Beside NICE Road) Bangalore – 560100.
(2) (a)	Shree Surgico Labs	Earth Baug,108 Princess Street,Mumbai - 400002.
(2) (b)	Siddhi Corporation	7, Pathak Wadi, Dr. Dhirubhai Shah Chowk, Mani Bhuvan, Mumbai - 400002.
(3)	Missionaries of Charity	Sankli Street, Byculla East, Mumbai – 400 008.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: ***In absence of suitable CSR Project and paucity of time for evaluation of right project/ program the Company could not spend the above mentioned amount.***
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Date: August 14, 2015
Place: Mumbai

For and on behalf of A. K. Capital Services Limited

Subhash Chander Madan
Independent Director and Chairman of CSR Committee
(DIN: 00785025)

Deepak Mittal
Whole time Director
(DIN: 00043685)

ANNEXURE - 3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

A. K. Capital Services Limited

30-39, Free Press House, 3rd Floor,
Free Press Journal Marg,215, Nariman Point,
Mumbai - 400021

Dear Sir(s)/ Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions as agreed and the adherence to good corporate governance practice by **A. K. Capital Services Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2015, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not Applicable;

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable :-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   Following regulations and guidelines as prescribed under the SEBI Act were not applicable to the Company during the financial year under report:-

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and

   f) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi. The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

We have also examined compliances with applicable clauses of:

I. Secretarial Standards issued by the Institute of the Company Secretaries of India - Not Applicable as not notified during the period under review**;**

II. The Listing Agreements entered into by the company with BSE Limited.

During the financial year under report, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc except under section 135 of the Act, the Company has spend 1.92% of the average net profits of the Company made during immediately preceding financials year against mandatory requirement of 2% towards Corporate Social Responsibility (CSR).

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice, agenda and detailed notes were given to all Directors to schedule the Board Meetings at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

(i) Appointment of Independent Directors;

(ii) Declaration of Dividend;

(iii) Appointment of Key Managerial Personnel(s);

(iv) Constitution of Corporate Social Responsibility Committee;

(v) Approval of borrowing limits under Section 180(1)(c) of the Act.

For **Aashish K. Bhatt & Associates**
Company Secretaries
(ICSI Unique Code S2008MH100200)

Place: Mumbai
Date: August 14, 2015

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

APPENDIX A

To,

The Members,

A. K. Capital Services Limited

30-39, Free Press House, 3rd Floor,
Free Press Journal Marg,215, Nariman Point,
Mumbai - 400021

Our report of even date is to be read along with this letter.

1. The responsibility of maintaining Secretarial record is of the management and based on our audit, we have expressed our opinion on these records.
2. We are of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the Secretarial records were reasonable for verification on test check basis.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. Our examination was limited to the verification of procedure on test basis and wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**
Company Secretaries
(ICSI Unique Code S2008MH100200)

Place: Mumbai
Date: August 14, 2015

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023

ANNEXURE - 4

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   All contracts/arrangements/transactions entered into during the year ended March 31, 2015, were at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Transaction no. 1 - Renewal of Rent Agreement of Property located at 143, 14th Floor, Sunflower Apartments, Cuffe Parade, Mumbai – 400005	
Name(s) of the related party and nature of relationship	1. Mr. A. K. Mittal, Managing Director (DIN: 00698377), 2. Mrs. Anshu, Non-Executive, Non Independent Director (DIN:01227279) and Spouse of Managing Director
Nature of contracts/arrangements/transactions	Renewal of rent agreement (immovable property)
Duration of the contracts / arrangements/transactions	From December 1, 2014 to August 31, 2017 (33 months)
Salient terms of the contracts or arrangements or transactions including the value, if any	1. Deposit - ₹ 29,00,000/- 2. Rent per month - ₹ 88,000/- 3. Accommodation provided to Mr. A. K. Mittal (DIN: 00698377), Managing Director of the Company.
Date(s) of approval by the Board, if any	November 14, 2014
Amount paid as advances, if any	NIL

Transaction no. 2 – Renewal of Rent Agreement of Property located at 101-102, Kaivanna, New Centre Point, Panchvati Circle, Ahmedabad – 380009	
Name(s) of the related party and nature of relationship	1. Mr. Abhinav Kumar Mittal, Son of Managing Director and Director
Nature of contracts/arrangements/transactions	Renewal of rent agreement (immovable property)
Duration of the contracts / arrangements/transactions	From June 1, 2015 to May 31, 2018 (36 months)
Salient terms of the contracts or arrangements or transactions including the value, if any	1. Deposit - ₹ 250,000/- 2. Rent per month - ₹ 25000/- 3. Accommodation provided for office use.
Date(s) of approval by the Board, if any	February 7, 2015
Amount paid as advances, if any	NIL

Date: August 14, 2015
Place: Mumbai

For and on behalf of A. K. Capital Services Limited

A. K. Mittal Managing Director (DIN: 00698377)	Deepak Mittal Whole time Director (DIN: 00043685)

ANNEXURE - 5

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.REGISTRATION AND OTHER DETAILS:

CIN	L74899DL1993PLC055524
Registration Date	October 5, 1993
Name of the Company	A. K. Capital Services Limited
Category/ Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
Address of the Registered office and contact details	Flat N Sagar Apartment, 6 Tilak Marg, New Delhi - 110001 Email ID: cs@akgroup.co.in Contact No.: +91-22-67546500 Fax No. : +91-22-66100594
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	**Abhipra Capital Limited** Abhipra Complex, A-387, Dilkhush Industrial Area, G.T. Karnal Road, Azadpur, New Delhi - 110 033 Telephone No.: +91-11-42390900 Fax No.: +91-11-27215530 E-mail: rta@abhipra.com

II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	*NIC Code of the Product/ service	% to total turnover of the Company
1	Merchant Banking Fees	64990	73.90%
2	Interest & Profit on Sale of Current Investment	64990	22.98%

** As per NIC 2008*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and address of the Company	Corporate Identity Number (CIN)/ Global Location Number (GLN)	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	A. K. Capital Finance Private Limited 30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U51900MH2006PTC214277	Subsidiary Company	98.5150%	2(87)(ii)
2	A. K. Stockmart Private Limited 30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U67120MH2006PTC158932	Subsidiary Company	100.00%	2(87)(ii)
3	A. K. Wealth Management Private Limited 30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021	U74140MH2006PTC165653	Subsidiary Company	100.00%	2(87)(ii)
4	A. K. Capital Corporation Private Limited 30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021	U65993MH2006PTC165749	Subsidiary Company	100.00%	2(87)(ii)
5	A. K. Capital (Singapore) Pte. Ltd. 80 Robinson Road #02-00 Singapore 068898	201320478E	Subsidiary Company	100.00%	2(87)(ii)

IV.SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i.Category-wise Share Holding

Category of Shareholder		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year (2-1)
		Demat	Physical	Total	% of Total shares (1)	Demat	Physical	Total	% of Total shares (2)	
A. Promoters										
1. Indian										
a	Individual /HUF	1,317,556	-	1,317,556	19.96	1,251,398	-	1,251,398	18.96	(1.00)
b	Central Govt.	-	-	-	-	-	-	-	-	-
c	State Govt(s)	-	-	-	-	-	-	-	-	-
d	Bodies Corp	2,554,670	-	2,554,670	38.71	2,681,182	-	2,681,182	40.62	1.91
e	Banks / FI	-	-	-	-	-	-	-	-	-
f	Any Other	-	-	-	-	-	-	-	-	-
Sub - total (A) (1):-		**3,872,226**	**-**	**3,872,226**	**58.67**	**3,932,580**	**-**	**3,932,580**	**59.58**	**0.91**
2. Foreign										
a	NRI - Individuals	-	-	-	-	172,275	-	172,275	2.61	2.61
b	Other - Individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corp	-	-	-	-	-	-	-	-	-
d	Banks /FI	-	-	-	-	-	-	-	-	-
e	Any Other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2):-		-	-	-	-	**172,275**	-	**172,275**	**2.61**	**2.61**
Total Shareholding of Promoter (A) = (A) (1) +(A) (2)		**3,872,226**	**-**	**3,872,226**	**58.67**	**4,104,855**	-	**4,104,855**	**62.19**	**3.52**
B. Public Shareholding										
1. Institutions										
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Banks / FI	-	-	-	-	-	-	-	-	-
c	Central Govt	-	-	-	-	-	-	-	-	-
d	State Gov(s)	-	-	-	-	-	-	-	-	-
e	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f	Insurance Companies	-	-	-	-	-	-	-	-	-
g	FIIs	-	-	-	-	-	-	-	-	-
h	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I	Others (specify)	-	-	-	-	-	-	-	-	-
Sub - total (B) (1):-		-	-	-	-	-	-	-	-	-

2. Non- Institutions									
a. Bodies Corp									
I Indian	1,089,137	-	1,089,137	16.50	993,991	-	993,991	15.06	**(1.44)**
II Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-	-
I Individuals shareholders holding nominal share capital upto ₹ 1 lakh	722,686	56,321	779,007	11.80	603,533	53,121	656,654	9.95	**(1.85)**
II Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	686,922	25,000	711,922	10.79	704,107	25,000	729,107	11.05	**0.26**
c. Others									
I Non Resident Indian	47,133	-	47,133	0.71	35,654	-	35,654	0.54	(0.17)
II Clearing Members	19,913	-	19,913	0.30	12,180	-	12,180	0.18	(0.12)
III Hindu Undivided Family	80,662	-	80,662	1.22	67,559	-	67,559	1.02	(0.2)
Sub - Total (B) (2):-	**2,646,453**	**81,321**	**2,727,774**	**41.33**	**2,417,024**	**78,121**	**2,495,145**	**37.81**	**(3.52)**
Total Public Shareholding (B)=(B)(1) + (B)(2):-	**2,646,453**	**81,321**	**2,727,774**	**41.33**	**2,417,024**	**78,121**	**2,495,145**	**37.81**	**(3.52)**
C. Shares held by custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**6,518,679**	**81,321**	**6,600,000**	**100.00**	**6,521,879**	**78,121**	**6,600,000**	**100.00**	**-**

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	No of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	
1	A K Mittal	271,400	4.11	NIL	271,400	4.11	NIL	-
2	A K Mittal	235,418	3.57	NIL	287,265	4.35	NIL	**0.78**
3	A K Mittal (HUF)	45,900	0.70	NIL	45,900	0.70	NIL	-
4	Abhinav Kumar	17,200	0.26	NIL	17,200	0.26	NIL	-
5	Abhinav Kumar Mittal*	187,864	2.85	NIL	219,698	3.33	NIL	**0.48**
6	Aditi	23,600	0.36	NIL	23,600	0.36	NIL	-
7	Aditi Mittal	71,600	1.08	NIL	125,870	1.91	NIL	**0.83**
8	Anshu Aggarwal	172,275	2.61	NIL	172,275	2.61	NIL	-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	No of Shares	% of total Shares of the company	% of Share pledged/ encumbered to total shares	
9	Dinesh Kumar Gupta	52,500	0.80	NIL	52,500	0.80	NIL	-
10	Kavita Garg	3,699	0.06	NIL	3,699	0.06	NIL	-
11	Kavita Gard	21,200	0.32	NIL	21,200	0.32	NIL	-
12	Sanjeev Kumar	29,100	0.44	NIL	29,100	0.44	NIL	-
13	Sanjeev Kumar (HUF)	28,500	0.43	NIL	28,500	0.43	NIL	-
14	Shyam Lata Garg	26,000	0.39	NIL	26,000	0.39	NIL	-
15	Sneh Lata Mittal	131,300	1.99	NIL	131,300	1.99	NIL	-
16	A. K. Capital Markets Limited	957,000	14.50	NIL	957,000	14.50	NIL	-
17	A.K. Capital Markets Limited	0	0.00	NIL	22,043	0.33	NIL	**0.33**
18	A. K. Services Private Limited	500	0.01	NIL	500	0.01	NIL	-
19	A. K. Services Private Limited*	859,800	13.03	NIL	966,269	14.64	NIL	**1.61**
20	Second Leasing Private Limited	737,370	11.17	NIL	737,370	11.17	NIL	-
	Total	**3,872,226**	**58.67**	**NIL**	**4,138,689**	**62.71**	**NIL**	**4.04**

***Note:** Includes 31,834 shares and 2,000 shares of Mr. Abhinav Kumar Mittal and M/s. A. K. Services Private Limited respectively bought on March 31, 2015 which shall be reflected on T+2 basis in respective demat statements*

iii Change in Promoters' Shareholding

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of the total shares of the company	No. of Shares	% of the total shares of the company
1	**A. K. Mittal**				
	At the beginning of the year	506,818	7.68	-	-
	Market Purchase on 25-03-2015	26,899	0.41	533,717	8.09
	Market Purchase on 26-03-2015	24,948	0.38	558,665	8.46
	At the End of the year	**558,665**	**8.46**	**558,665**	**8.46**

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of the total shares of the company	No. of Shares	% of the total shares of the company
2	**Aditi Mittal**				
	At the beginning of the year	71,600	1.08	-	-
	Market Purchase on 20-03-2015	5,637	0.09	77,237	1.17
	Market Purchase on 23-03-2015	1,529	0.02	78,766	1.19
	Market Purchase on 24-03-2015	6,000	0.09	84,766	1.28
	Market Purchase on 26-03-2015	22,735	0.34	107,501	1.62
	Market Purchase on 27-03-2015	18,369	0.28	125,870	1.91
	At the End of the year	**125,870**	**1.91**	**125,870**	**1.91**

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of the total shares of the company	No. of Shares	% of the total shares of the company
3	**A. K. Capital Markets Limited**				
	At the beginning of the year	-	-	-	-
	Market Purchase on 26-03-2015	10,524	0.16	10,524	0.16
	Market Purchase on 27-03-2015	11,519	0.17	22,043	0.33
	At the End of the year	**22,043**	**0.33**	**22,043**	**0.33**

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of the total shares of the company	No. of Shares	% of the total shares of the company
4	**A. K. Services Private Limited**				
	At the beginning of the year	859,800	13.03	-	-
	Market Purchase on 23-03-2015	36,733	0.56	896,533	13.59
	Market Purchase on 24-03-2015	27,370	0.41	923,903	14.00
	Market Purchase on 25-03-2015	21,202	0.32	945,105	14.32
	Market Purchase on 26-03-2015	617	0.01	945,722	14.33
	Market Purchase on 27-03-2015	18,547	0.28	964,269	14.61
	Market Purchase on 31-03-2015	2,000	0.03	966,269	14.64
	At the End of the year	**966,269**	**14.64**	**966,269**	**14.64**

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of the total shares of the company	No. of Shares	% of the total shares of the company
5	**Abhinav Kumar Mittal**				
	At the beginning of the year	187,864	2.85	-	-
	Market Purchase on 31-03-2015	31,834	0.48	219,698	3.33
	At the End of the year	**219,698**	**3.33**	**219,698**	**3.33**

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders (Name of the Shareholder)	Shareholding at the beginning of the year		Date wise Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase /decrease			shareholding at the end of the year	
		No of Shares	% of total Shares of the company	* Date	No of Shares	Reason	No of Shares	% of total shares of the company
1	A. M. Credit Analysis and Research Ltd.	371,000	5.62	NIL	NIL	NIL	371,000	5.62
2	Dipco Estates Private Limited	181,272	2.75	23-01-2015	(4,439)	Market Sale	171,421	2.60
				13-02-2015	(5,412)			
3	Namokar Commercial Private Limited	143,467	2.17	31-03-2015	(72,000)	Market Sale	71,467	1.08
4	Damani Estate and Finance Pvt. Ltd.	78,000	1.18	19-12-2014	(1,002)	Market Sale	68,000	1.03
				31-12-2014	(8,998)			
5	Vijai Kumar Goel	69,400	1.05	NIL	NIL	NIL	69,400	1.05
6	Divya Goel	65,800	1.00	NIL	NIL	NIL	65,800	1.00
7	Gajgamini Investments and Finance Pvt. Ltd.	65,735	1.00	NIL	NIL	NIL	65,735	1.00
8	Archana Goel	65,200	0.99	31-03-2015	(500)	Market Sale	64,700	0.98
9	Abhishek	45,600	0.69	NIL	NIL	NIL	45,600	0.69
10	Bankesh Chandra Agrawal	40,000	0.61	NIL	NIL	NIL	40,000	0.61
11	JNJ Holdings Pvt. Ltd.	1	0.00	13-06-2014	5,952	Market Purchase	50,000	0.76
				04-07-2014	213			
				11-07-2014	74			
				18-07-2014	14,079			
				25-07-2014	2,050			
				01-08-2014	4,342			
				08-08-2014	4,389			
				10-10-2014	1,549			
				17-10-2014	275			
				24-10-2014	3,874			
				31-10-2014	98			
				07-11-2014	2,054			
				14-11-2014	385			
				21-11-2014	449			
				28-11-2014	2,889			
				12-12-2014	538			
				19-12-2014	1,451			
				31-12-2014	5,338			

* Data taken from weekly shareholding received from Registrar and Transfer Agent.

V. Shareholding of Directors and Key Managerial Personnel:

A.Directors

1. A. K. Mittal

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Sr No.	At the beginning of the year	506,818	7.68	-	-
I	Market Purchase on 25.03.2015	26,899	0.41	533,717	8.09
II	Market Purchase on 26.03.2015	24,948	0.38	558,665	8.46
	At the End of the year	**558,665**	**8.46**	**558,665**	**8.46**

2. Anshu – No Change.

3. No other Director holds any share in the Company.

B. None of the Key Managerial Personnel holds any share in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	1,269,411,057	-	27,918,000	1,297,329,057
II) Interest due but not paid	2,302,520	-	-	2,302,520
III) Interest accrued but not due	293,281	-	-	293,281
Total (I+II+III)	**1,272,006,858**	-	**27,918,000**	**1,299,924,858**
Change in Indebtedness during the financial year				
· Addition	984,774,877	-	-	984,774,877
· Reduction	(448,938,388)	-	-	(448,938,388)
Net Change	**535,836,489**	-	-	**535,836,489**
Indebtedness at the end of the financial year				
I) Principal Amount	1,796,830,251	-	27,918,000	1,824,748,251
II) Interest due but not paid	10,741,518	-	-	10,741,518
III) Interest accrued but not due	271,578	-	-	271,578
Total (I+II+III)	**1,807,843,347**	-	**27,918,000**	**1,835,761,347**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		A. K. Mittal (MD)	Deepak Mital (WTD)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,800,000	10,039,505	**26,839,505**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,056,000	-	**1,056,000**
	c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	**-**
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-as % of profit	-	-	-
	-others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**17,856,000**	**10,039,505**	**27,895,505**
	Ceiling as per the Act			**33,677,063**

B. Remuneration to other directors:

(Amount in ₹)

Sr No.	Particulars of Remuneration	Name of Directors				Total Amount
		Subhash Chandra Bhargava	Subhash Chander Madan	Raghubinder Rai	Anshu	
1	Independent Directors					-
	· Fee for attending board/ committee meetings	80,000	80,000	80,000	-	**240,000**
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	
	Total (1)	**80,000**	**80,000**	**80,000**	-	**240,000**
2	Other Non-Executive Directors					-
	· Fee for attending board/ committee meetings	-	-	-	20,000	**20,000**
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**20,000**	**20,000**
	Total (B)=(1+2)	**80,000**	**80,000**	**80,000**	**20,000**	**260,000**
	Total Managerial Remuneration (A+B)					**28,155,505**
	Overall Ceiling as per the Act	The total Managerial remuneration is within the ceiling prescribed				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sr No.	Particulars of Remuneration	Key Managerial Personnel		
		Vikas S Agarwal (Chief Financial Officer)	Kanchan Singh (Company Secretary)	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,161,284	1,313,658	11,474,942
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit -others, specify…	-	-	-
5	Others, please specify	-	-	
	TOTAL	**10,161,284**	**1,313,658**	**11,474,942**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give Details)
A . COMPANY					
Penalty	**NONE**				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	**NONE**				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	**NONE**				
Punishment					
Compounding					

Date: August 14, 2015
Place: Mumbai

For and on behalf of A. K. Capital Services Limited

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Whole time Director
(DIN: 00043685)

ANNEXURE - 6

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial year	**Name of the Director**	**Ratio**
		Mr. A. K. Mittal	22:1
		Mr. Deepak Mittal	12:1
		1. For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration. 2. Figures have been rounded off wherever necessary.	
2	The percentage increase in remuneration of each director, Chief Financial Officer and the Company Secretary in the Financial year	**Directors:** I. Mr. A. K. Mittal – (Managing Director)	(11%)
		II. Mr. Deepak Mittal – (Whole Time Director)	(4%)
		Key Managerial Person: III. Mr. Vikas S Agarwal – (Chief Financial Officer)	(6%)
		IV Ms. Kanchan Singh – (Company Secretary)	22%
3	The percentage increase in the median remuneration of employees in the Financial year	During FY 2015, the percentage increase in the median remuneration of employees as compared to previous year was approximately (0.60%).	
4	The number of permanent employees on the rolls of Company	There were 79 employees as on March 31, 2015	
5	The explanation on the relationship between average increase in remuneration and Company performance	Average Increase in remuneration of all eligible employees was 16.88% which was based on following factors: 1. Financial Performance of the company. 2. Comparison with peer companies. 3. Industry Benchmarking. 4. Contribution made by employee. 5. Regulatory guidelines as applicable to Managerial Personnel. Total revenue increased by 0.11% during the FY 2014-15 as compared to previous year.	
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	For the FY 2015, the remuneration paid to four KMPs aggregate to approximately 4.03% of the Gross Revenue. The Gross revenue was ₹ 97.66 crore (previous year ₹ 97.55 crore)	
7	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies;	a. The Market capitalization of the Company has increased from ₹ 80.78 Crore as on March 31, 2014 to ₹ 153.71 Crore as on March 31, 2015. b. The price to earnings ratio moved from 3.98 as on March 31, 2014 to 8.40 as on March 31,2015. c. The Company has not made any public issue after 1996, so comparison have not been made of current share price with public offer price. The Company's shares are listed on Bombay Stock Exchange.	
8	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in salary of employees other than managerial personnel is 16.88%. Remuneration of only one KMP i.e. Ms. Kanchan Singh, Company Secretary was increased by 22.11% due to additional responsibilities entrusted on her. No other KMP's are in receipt of increased remuneration as compared to the previous financial year.	

Sr. No.	Requirements	Disclosure
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	There was no increase in remuneration of the KMP's except of Ms. Kanchan Singh, Company secretary increased by 22.11%. The total revenue increased by 0.11% during the year.
10	The key parameters for any variable component of remuneration availed by the directors	Shri A. K. Mittal, Managing Director is not paid any variable remuneration. Shri Deepak Mittal, Whole-time Director is paid variable pay as per policy of the Company.
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	None.
12	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for the Directors, Key Managerial Personnel and employees.

* Market Capitalization and price earning ratio are calculated based on the lowest closing price of the equity shares as on the last trading day of the finaincial year over Bombay Stock Exchange Limited

Date: August 14, 2015
Place: Mumbai

For and on behalf of A. K. Capital Services Limited

A. K. Mittal	Deepak Mittal
Managing Director	Whole-time Director
(DIN: 00698377)	(DIN: 00043685)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO-ECONOMIC & BOND MARKET DEVELOPMENT

The financial year 2014-15 has been a year of recovery for India after facing headwinds during FY 2013-14. India achieved the targeted GDP growth rate of 7.3% during FY 2014-15 surpassing the growth rate of 6.6% in FY 2013-14. India industrial production (IIP) though modest at 2.8% in FY 2014-15. was higher than the -0.1% growth in FY 2013-14. India's economic growth is expected to remain high, supported by a revival in investment. The FY 2015-16 fiscal consolidation targets has been relaxed to allow for increased infrastructure investment while structural reforms to improve the ease of doing business and the Make in India initiative should boost corporate investment. Despite poor economic activity in the world's two largest economies - the US and China in the first quarter of 2015, the overall global economy seems to be recovering at slower pace.

While other economies are facing serious challenges, India is once again poised to catch up a faster growth trajectory. The International Monetary Fund ("IMF") has downgraded its earlier forecast of global economic growth by 0.3%, and the World Trade Organization ("WTO") has revised its forecast of world trade growth from 5.3% to 4%. Forecasts for India, however, have either been upgraded, or remained the same, without downgrades.

The Balance of Payments (BoP) data also showed significant improvement over the previous year. Lower Current Account Deficit (CAD), on the back of contraction in trade deficit and marginal improvement in the net invisible earnings, along with a sizable increase in net financial flows enabled a large build-up of reserves. CAD decreased to 27.5 billion USD in FY 2014-15 from 32.4 billion USD in FY 2013-14. BoP situation is expected to remain favorable to India in FY16 on account of lower fuel import cost and high foreign inflows.

In addition to BoP situation, India has made considerable progress on inflation front too. The Consumer Price Index (CPI) stood at 5.40% in June'15, which is quite acceptable in Indian context. Combination of high growth rate and controlled inflation led to a healthy fiscal consolidation. Consumer Inflation is expected to remain stable in 4-6% range though we believe the CPI to hover at the higher end of the range between 5.5-6%. Assuming normal monsoon, reasonable food management and low crude oil prices, the inflation is expected to be pulled down by base effects till August but to start rising thereafter to about 6.0% by January 2016 – slightly higher than the projections in April.

The latest wholesale price inflation is negative; the current account deficit for this year is expected to be below 1.3% of GDP; based on the new series, real GDP growth is expected to accelerate to 7.4%, making India the fastest growing large economy in the world; foreign inflows since April 2014 have been about $55 billion, so that India's foreign exchange reserves have increased to a record $340 billion; the rupee has become stronger by 6.4% against a broad basket of currencies; and India was the second-best performing stock market amongst the major economies. In short, India has turned around the economy dramatically, restoring macro-economic stability and creating the conditions for sustainable poverty elimination, job creation and durable double-digit economic growth. Domestic and international investors are now watching India with renewed interest and hope.

While being mindful of the challenges, this gives us a reason to feel optimistic and the opportunities have arisen because the proactive approach of the Government. Moreover the actions of the Government have not been confined to the core or macro-economic areas alone. For e.g. action has been taken with regard to allocation of natural resources; financial inclusion; health and hygiene of the common man; girls and their education; employment for the youth; improved and non-adversarial tax administration; effective delivery of benefits; investment and job creation; welfare of labour; agricultural productivity and increasing farm incomes; power; digital connectivity; skilling our youth; efficient and better work culture in Government; ease of doing business; mainstreaming North Eastern States; and reviving pride in the nation and its culture. Several initiatives of the Government have yielded remarkable success eg. (i) Jan DhanYojana; (ii) coal auctions; (iii) Swachh Bharat yogna; (iv) construction of 50 lakh toilets; and (v) preventive health care and awareness.

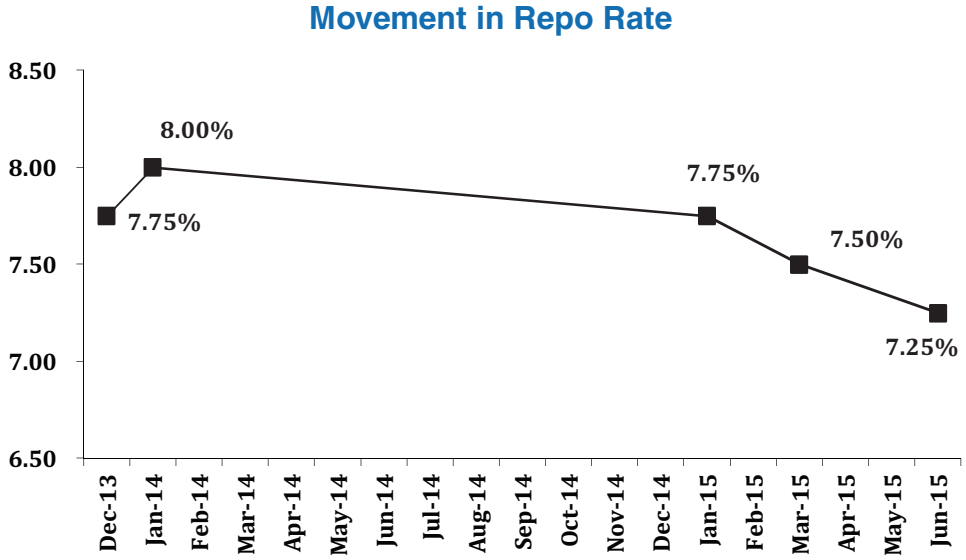
Capturing inflation represents a structural shift and going forward, the Government expects CPI inflation to remain close to 5% by the end of the FY 2015-16, which may provide room to the central bank for further easing of key interest rates. According to the estimates of the Central Statistics Office, based on the new series, the GDP is likely to grow between 8.0% to 8.5% during FY 2015-16 and has a potential for double-digit growth in the near future.

The key development in the debt market include proposal to increase foreign investment limit in debt market and issuance of tax-free bonds worth ₹ 30,000 crore in FY 2015-16. RBI is formulating a scheme for market making by primary dealers in semi-liquid and illiquid government securities. Further credit default swaps (CDS) could be re-launched. RBI also announced steps to boost retail participation in government securities. These include a web-based solution for all mid-segment and retail investors who have gilt accounts to participate in the G-Sec market bond market which though volatile has seen a secular decline in interest rates over the year during FY 2014-15.

A major challenge to our economy is to increase investment in infrastructure with private participation via public private partnership ("PPP") model. Yet another challenge is to arrest the fall in share of manufacturing from 18% to 17% of GDP as per new GDP data and almost static exports at about 10% of GDP. The "Make in India" initiative of the Government aims at meeting this challenge, besides generating mass job opportunities. There is a pressing need to increase public investment in infrastructure. The Government has therefore, increased outlays on both the roads and the gross budgetary support to the railways, by ₹ 14,031 crore, and ₹ 10,050 crore respectively. Besides, capital expenditure by the public sector undertakings is likely to be scaled up to ₹ 3,17,889 crore whereby investment in infrastructure is likely to grow by ₹ 70,000 crores in the year 2015-16.

To rebound our journey to a real growth trajectory, the Government needs to (a) initiate steps for increasing public investment. The total additional public investment over and above the revised estimate is planned at ₹ 1.25 lakh crore out of which ₹ 70,000 crore may be in form of budgetary outlay for capital expenditure; (b) implementation of GST with likely burden as per estimates of the 7th Pay Commission; (c) contain/ curtain fiscal deficit to 3% over next 3 years i.e. (i) 3.9% for 2015-16; (ii) 3.5% for 2016-17; and 3.0% for 2017-18.

After adopting a static interest rate regime for one year (Jan-2014 to Jan-2015), the RBI synced its policy decisions with the macro perspective of the ruling Government and announced series of three rate cuts in Jan-2015, Mar-2015 and June-2015:



The first bi-monthly monetary policy statement for FY 2015-16 issued by the RBI on April 07, 2015, pointed out that the global recovery was still slow and getting increasingly differentiated across regions. The US economy shrunk in Q1 primarily due to harsh weather conditions, strength of the US dollar weighing on exports and decline in non-residential fixed investment. In the euro area, financial conditions had eased due to the European Central Bank's quantitative easing and a depreciating euro. There has, however, been some moderation in composite purchasing managers' indices, economic sentiment and consumer confidence in April. For most emerging market economies, macroeconomic conditions remain challenging due to domestic fragilities, exacerbated by bouts of financial market turbulence. China continued to decelerate in spite of monetary easing. Firming up of crude prices has reduced headwinds to growth for some energy exporters, while increasing them for importers.

The Central Statistics Office revised its estimate of India's gross value added downwards at basic prices for FY 2014-15 by 30 basis points from the advance estimates. Domestic economic activity remained moderate in Q1 of FY 2015-16. Agricultural output was adversely affected by unseasonal rains and hailstorms in north India during March 2015, impinging on an estimated 94 lakh hectares of area sown under the rabi crop. Reflecting this, the third advance estimates of the Ministry of Agriculture depicted contraction in food-grains production by over 5% in relation to the levels of previous year. The outlook for the kharif season was also uncertain as per the first estimates of India Meteorological Department, predicting that the southwest monsoon should be 7.0% or lower and the view was reinforced by the confirmation of the onset of El Nino by the Australian Bureau of Meteorology.

Assuming reasonable food supply, inflation was estimated to be pulled down by the base effect till August and restore the rising trend thereafter to about 6.0% by January 2016.

The Indian bond market witnessed several initiatives from the Reserve Bank of India (RBI) which could directly or indirectly help in the further strengthening of the bond market. Many announcements such as launch of inflation indexed bonds linked to wholesale inflation and later similar instrument linked to retail inflation was aimed at broad basing the participants in the market. Measures to allow banks to offer partial credit enhancements to corporate bonds by way of providing credit facilities and liquidity facilities to the corporate rather than providing just the guarantee was another initiative by the central bank. The launch of dedicated debt trading platform on the exchange was aimed at improving liquidity and transparency to the participants. Also launch of Cash Settled 10-year Interest Rate Futures Contracts will go a long way in deepening the bond markets.

OUR BUSINESS

A. K. Capital Services Limited (**"AK Capital"**) was incorporated as A. K. Capital Services Private Limited on October 05, 1993 under the Companies Act, 1956 with the Registrar of Companies, N.C.T. of Delhi & Haryana, New Delhi (**"RoC"**). Pursuant to a special resolution passed by the shareholders on September 30, 1994, the company was converted from a Private Limited Company to a Public Limited Company and consequently the name of the Company was changed to A. K. Capital Services Limited with effect from December 21, 1994. The CIN of the company is: L74899DL1993PLC055524.

AK Capital has been registered with SEBI as a Category I Merchant Banker since April 1, 1998 and the registration is valid permanently unless suspended/ cancelled by SEBI.

The group comprises of 5 subsidiary companies which conduct their operations through a network of 10 branches spread over 9 cities of India. The group has interests in diversified business fields and the subsidiaries have been incorporated to undertake and specialize each business area. AK Capital conducts the business of stock broking, IPO distribution, third party product distribution and depository services through its subsidiary A. K. Stockmart Private Limited (**"AK Stockmart"**). AK Stockmart is a SEBI registered stock broker with NSE and BSE, governed by SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 and is also a SEBI registered Depository Participant with CDSL and NSDL. Besides, AK Stockmart is also registered with SEBI in the Wholesale Debt Market (**"WDM"**) segment of the National Stock Exchange of India Limited (**"NSE"**).

The financing activities of the group are undertaken by A. K. Capital Finance Private Limited (**"AK Finance"**) which is registered with the Reserve Bank of India as a Systematically Important Non Deposit Accepting Non-Banking Finance Company (**"NBFC-ND-SI"**). A. K. Capital Finance is into the business of lending to corporates, investment and trading in debt securities and investment in shares.

A. K. Wealth Management Private Limited (**"AK Wealth"**) is registered with SEBI as portfolio management company. The Company is in the process of commencing its operations in the field of debt portfolio management services (**"PMS"**).

A. K. Capital Corporation Private Limited (**"AK Corporation"**) is into the business of investment of funds into financial instruments.

A. K. Capital (Singapore) Pte. Limited (**"AK Singapore"**) was incorporated on July 29, 2013 as a wholly owned subsidiary of AK Capital with presence in Singapore.

EXECUTION

The group has marked a glorious journey of over 16 years and has gained expertise as well as recognition in various facets of the Indian financial markets by undertaking and successfully executing various landmark transactions.

1. AK Capital has been reckoned as a leading arranger for private placement of secured/ unsecured, senior/ subordinated, redeemable, non-convertible debentures/ bonds, perpetual bonds, preference shares etc. for a diverse profile of issuers comprising of:

   a) Central Public Sector Undertakings;

   b) State Government Undertakings;

   c) Public and Private Sector Banks;

   d) Public Financial Institutions;

   e) Private Companies;

   f) Non-Banking Finance Companies;

   g) Housing Finance Companies;

   h) Infrastructure Finance Companies;

   i) Infrastructure Development Funds;

   j) Core Investment Companies;

   k) Infrastructure Operating Companies; and

   l) Companies operating in other manufacturing and services sectors.

In FY 2014-15, AK Capital managed 147 assignments of private placement of debt aggregating to ₹ 1,11,435 crores for all types of issuers corresponding to a market share of 31.2%. On a cumulative basis, AK Capital has managed 1,399 assignments of private placement of debt aggregating to ₹ 5,94,430 crores for all types of issuers *(Source: PRIME Database)*.

2. AK Capital has been rated as **No. 1 Lead Manager** in terms of managing public issues of tax-free and taxable bonds/ debentures over last 5 years (01-Apr-2010 to 31-Mar-2015) having managed 49 public issue of debt assignments aggregating to ₹ 75,405 crores corresponding to a market share of 66.1% *(Source: PRIME Database)* for country's leading public sector undertakings and private corporates.

3. AK Stockmart has been rated as **No. 1 Mobiliser** of subscription in tax-free and taxable bonds/ debentures over last 5 years (01-Apr-2010 to 31-Mar-2015) having mobilized ₹ 29,966 crores in 74 public issues of debt corresponding to a market share of 17.3% *(Source: PRIME Database)*.

4. Besides private placements and public issues of debt, AK Capital has demonstrated its modest presence by undertaking and executing deals in the following segments:

Sr. No.	Deal Type	Executed by
a.	Loan syndication	AK Capital
b.	Project financing	AK Capital Finance
c.	Initial Public Offerings ('IPOs') / Follow-on Public Offerings ('FPOs') / Qualified Institutional Placements ('QIPs") of equity shares for banks and private corporates	AK Capital
d.	Syndication of funds for Venture Capital Funds	AK Capital
e.	Trading in Government Securities and Corporate Bonds	AK Capital, AK Stockmart and AK Capital Finance

5. AK Capital and AK Stockmart have executed maximum number and volume of private placements of redeemable non-convertible preference shares for India's top notch corporate houses including L&T Finance Holdings Limited, Tata Capital Limited, Infrastructure Leasing & Financial Services Limited (**"IL&FS"**), IL&FS Transportation Networks Limited etc.

6. AK Capital has successfully executed several financial advisory transactions relating to management and arrangement of funds for India's leading public sector undertakings including National Highways Authority of India, Airports Authority of India, Food Corporation of India, HMT Limited, Indian Oil Corporation Limited, National Cooperative Development Corporation etc.

FINANCIAL PERFORMANCE

Consolidated Financial Highlights

The consolidated total income was ₹ 254.67 crore in FY 2014-15 as compared to ₹ 244.98 crore in FY 2013-14. The Profit after tax and minority interest was ₹ 41.14 crore in FY 2014-15 as compared to ₹ 35.19 crore in FY 2013-14. Basic EPS was ₹ 62.34 and Diluted was ₹ 62.34 in FY 2014-15 as compared to ₹ 53.32 and ₹ 53.32 in FY 2013-14 respectively.

Standalone Financials

The merchant banking fees was ₹ 72.17 crore during FY 2014-15 as compared to ₹ 87.19 crore during FY 2013-14. Merchant banking fee income primarily includes fund raising fees from clients, financial advisory fees and third party referral fees. The merchant banking fees is impacted is due to adverse market conditions in the Indian debt market.

Our treasury operation team manages the funds of the Company with an aim to optimize the yields and maintain the safety of the capital. The Company invests its surplus funds mostly into rated debt securities. The Investment income comprises of income from sale of investments acquired out of its surplus funds and/or to fulfill merchant banking obligations. Investment income for FY 2014-15 was ₹ 22.44 crore as compared to ₹ 7.53 crore in FY 2013-14. The profit after tax for FY 2014-15 was ₹ 18.31 crore as compared ₹ 20.29 crore in FY 2013-14.

Employee expenses was ₹ 18.45 crore in FY 2014-15 compared to ₹ 20.09 crore in FY 2013-14. Other expenses primarily include rent, taxes, lighting, advertisement and publicity, repairs and maintenance, professional fees, sub arrangers fees, etc. Other expenses was ₹ 30.93 crore in FY 2014-15.

The Company has maintained a strong and liquid balance sheet. Equity share capital and reserves increased to ₹ 317.33 crore in FY 2014-15 from ₹ 304.27 crore in FY 2013-14 primarily due to ploughing back current year profits (after provision of proposed dividend) back into the business. The Book Value per share rose to ₹ 480.80 in FY 2014-15 from ₹ 461.02 in FY 2013-14. The Non Current liabilities decreased to ₹ 5.54 crore in FY 2014-15 from ₹ 33.63 crore in FY 2013-14. The Current liabilities increased to ₹ 193.45 crore in FY 2014-15 from ₹ 109.48 crore in FY 2013-14. During the year the net block of fixed assets decreased by ₹ 3.51 crore to ₹ 36.90 crore. The Non-Current assets decreased to ₹ 304.94 crore in FY 2014-15 from ₹ 309.47 crore in FY 2013-14. The Current assets increased to ₹ 211.37 crore in FY 2014-15 from ₹ 137.92 crore in FY 2013-14.

Outlook and Strategy

In a short span of time, AK Capital has emerged as one of India's leading Merchant Bankers in the Indian Fixed Income Market through management of private placements as well as public issues. AK Capital is acknowledged for its unmatched Management Consultancy, Advisory Services, Financial Restructuring, etc. and is one of the few Merchant Bankers who has direct access as counter party to almost each and every domestic bank/ institution. An experienced team of over 250 professionals, spread across the length and breadth of the country, with deep market insights enables AK Capital to foresee the future market trends and take initiatives to leverage the market opportunities. Each specialist at AK Capital brings in a varied experience in the marketing and sales of Bonds, Debentures and other Financial Products to ensure coverage of maximum spread of Investors.

We intend to capitalize on the potential of debt market and act as a catalyst that shall transform a nascent Indian debt market into a strong and globally preferred investment hub. Considering the fact that in all the developed nations the size of fixed income segment is manifold vis-à-vis equity segment unlike India where the fixed income market is quite nascent, we believe there is a still a lot of untapped potential in the fixed income segment of the Indian capital market. Further, mobilization of long-term funding for the infrastructure sector critically depends on a deep and liquid debt market with a large set of diverse and sophisticated investors and a wide array of instruments not only to provide vehicles of investment but also to manage the risk entailed.

With the debt market developing in terms of liquidity, transparency and evolution of the electronic platform, we envision ourselves as a catalyst in developing an electronic platform, improve liquidity and set benchmarks to facilitate transactions in fixed income markets. We wish to continuously innovate and present new avenues and structures of fixed income instruments to institutional and retail investors.

OPPORTUNITIES AND CHALLENGES:

Opportunities

- Debt markets have witnessed an exponential growth in the Country over last decade which may be seen from the tables given below:

Table-1: Private Placement of Debt (Non-Convertible Debentures/ Bonds)

(₹ in crore)

2014-15		2004-05	
Total no. of Issues	**Amount**	**Total no. of Issues**	**Amount**
1,085	3,56,703.11	283	51,238.30
Growth over last decade : 596.17%			

Table-2: Public Issue of Debt (Non-Convertible Debentures/ Bonds)

(₹ in crore)

2014-15		2008-09*	
No. of Issues	**Amount**	**Total No. of Issues**	**Amount**
25	9,713.43	1	1,500.00
Growth over the period : 547.56%			

* Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, were released by the SEBI vide notification no. LAD-NRO/GN/2008/13/127878 on June 06, 2008. Therefore the period of reference has been taken as FY 2008-09.

- Volume in private placement of debt surged by whooping 596% over last decade and that of public issue of debt surged by 547% since 2008-09. The number (25) and amount (₹ 9,713.43 crores) of public issue of debt in FY 2014-15 was far lower than past three consecutive years i.e. FY 2013-14: 35 debt issues aggregating to ₹ 42,383 crores; FY 2012-13: 20 debt issues aggregating to ₹ 16,982 crores; and FY 2011-12: 20 debt issues aggregating to ₹ 35,611 crores.
- Growth of volume in public issue of debt reflects the growing awareness, acceptability and percolation of fixed income securities among retail class of investors.
- The Government and SEBI have from time to time, initiating host of measures to promote development of domestic corporate bond markets e.g. introducing market making in debt public issues. Fixed income markets are likely to exhibit exponential growth in volume and witness active participation from varied investor as well as issuer segments.

Challenges

- Like any other market:
  (a) corporate bond markets are venerable to market risks originating from volatility in interest rates;
  (b) our operations may be vulnerable to competition thereby affecting margins;
  (c) going forward as activity in corporate bonds pick up in lower rated debt instruments, our operations may besides market risks, be vulnerable to credit risk.

HUMAN RESOURCES

At AK Capital, we believe that the employees are the drivers of growth, efficiency, productivity and success. Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in maintaining the dignity of all its employees, irrespective of their gender or seniority. The Company believes in focusing on employee training and development, rigorous leadership engagement, enhanced communication and participative decision making.

RISK MANAGEMENT

AK Capital focuses on protecting the capital and having a healthy balance sheet and has adequate risk management system across all the business. Timely and effective risk management is of prime importance to our continued success. The risk awareness culture and respecting risk has enabled us to build business on strong foundation and manage the volatility across cycles. The risk management is overseen by the Board of Directors, Audit Committee, Internal Audit Department and Compliance Department of the Company. Operational risk due to increase in competition by entry of newer foreign and domestic financial services companies is mitigated by our strong brand image, wide client base, through knowledge of products and services offered which differentiate ourselves from our competitors. We conduct our business with high level of diligence, using best practices in fair and transparent manner and endeavor to disseminate timely information to the clients, investors and regulator to mitigate the reputation risk and regulatory risk.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company maintains adequate internal control systems, which is designed to provide assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards of assets, the reliability of financial controls and compliance with applicable laws and regulations.

The Company has implemented suitable controls to ensure all the resources are utilized optimally, financial transactions are reported with accuracy and that there is strict compliance with applicable laws and regulations.

Recognizing the important role of internal scrutiny, the Company has an internal audit function which is empowered to examine the adequacy of, and compliance with, policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process.

CAUTIONARY STATEMENT

The statements made in this report describe the Company's objectives and projections that may be forward looking statement within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending in the economic conditions, government policies and other incidental factors which are beyond the control of the Company. AK Capital has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

CORPORATE GOVERNANCE REPORT

(A) COMPANY'S PHILOSOPHY

The Company's philosophy on Code of Governance is aimed at promoting corporate fairness, transparency, accountability and integrity in the management.

The Company firmly believes in and has consistently practiced good Corporate Governance and continues to lay great emphasis on the broad principles of Corporate Governance. The Company fosters a culture in which high standards of ethical behavior, individual accountability and transparent disclosures are ingrained in all its business dealings and shared by its Board of Directors, management and employees.

The Company creates an environment for the efficient conduct of the business and to enable management to meet its obligations to all its stakeholders, including amongst others, shareholders, customers, employees and the community in which the Company operates. The Company believes that essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the higher echelons of management.

The Report on Corporate Governance, as per the applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement is as under:

(B) BOARD OF DIRECTORS

The Board of Directors ("the Board") of the Company consist of eminent people from various fields and are also conscious of following good governance practices.

(1) Composition of the Board

The Company has the combination of Executive and Non-executive Directors including one woman Director in conformity with the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Board comprises of six Directors of which two are Executive Directors, one is Non-Executive Non-Independent Director (Women Director) and three are Non-Executive Independent Directors. The Chairman of the Company is Non-Executive Independent Director and 50% of the total number of directors are Independent Directors.

All the Non-Executive Independent Directors have confirmed to the Board that they qualify to be Independent as per the definition of 'Independent Director' stipulated in Clause 49(II) (B) of the Listing Agreement and Section 149(6) of the Companies Act, 2013. None of the Directors hold directorships in more than 20 companies. None of the Directors is serving as a Member of more than ten committees or as a Chairman of more than five committees across all the public companies in which he acts as Director. The disclosures regarding committee positions in other public companies as on March 31, 2015 have been made by the Directors.

(2) Board Meetings

The Board meets at least once in a quarter and the time gap between two Board Meetings is not more than one hundred and twenty days. The Company Secretary sends a detailed agenda along with other explanatory notes and papers to each Director sufficiently before the Board Meetings. The Managing Director of the Company appraises the Board at every meeting on the overall performance of the Company. The Company Secretary records the minutes of the proceedings of each Board Meeting and Committee Meeting. The minutes of the Board Meetings of the Company's subsidiaries and a statement of all significant transactions and arrangements entered into by the subsidiaries are placed before the Board.

During the financial year 2014-15, the Board met four times on the following dates:

May 25, 2014; August 2, 2014; November 14, 2014 and February 7, 2015.

The names and categories of directors, their relationship with other directors, attendance at the Board Meetings held during the financial year 2014-15 and at the last Annual General Meeting (AGM) as also the number of directorships and committee positions held by them in all public limited companies as on March 31, 2015 are as under:

Name of Director	Category of Director	Relationship with other Directors	No. of Board Meetings #		Attendance at the last AGM held on September 20, 2014	No. of Directorships and committee membership/ chairmanship		
			Held	Attended		Directorships *	Committee membership **	Committee chairmanship **
Mr. Subhash Chandra Bhargava	Chairman, Non-Executive Independent Director	None	4	4	No	9	9	1
Mr. A. K. Mittal	Managing Director, Executive (Promoter)	Husband of Mrs. Anshu	4	4	Yes	5	1	-
Mr. Deepak Mittal	Whole time Director, Executive	None	4	4	Yes	2	2	-

Name of Director	Category of Director	Relationship with other Directors	No. of Board Meetings #		Attendance at the last AGM held on September 20, 2014	No. of Directorships and committee membership/ chairmanship		
			Held	Attended		Directorships *	Committee membership **	Committee chairmanship **
Mr. Subhash Chander Madan	Non-Executive Independent Director	None	4	4	Yes	2	-	1
Mr. Raghubinder Rai	Non-Executive Independent Director	None	4	4	Yes	2	1	-
Mrs. Anshu	Non-Executive Non – Independent Director (Promoter)	Wife of Mr. A. K. Mittal	4	1	No	1	-	1

Excluding the separate meeting of independent directors, in which non independent directors were not eligible to participate.

* Includes Directorship in A. K. Capital Services Limited and excludes Directorships in private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013. (Public Limited Companies includes Private Limited Companies which are subsidiaries of Public Limited Companies).

** The committees considered for above purpose are those prescribed in the Listing Agreement viz. Audit Committee and Stakeholders Relationship Committee.

** Includes Committee Membership / Committee Chairmanship in A. K. Capital Services Limited and excludes Committee Membership / Committee Chairmanship in private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013. (Public Limited Companies includes Private Limited Companies which are subsidiaries of Public Limited Companies)

(3) Meeting of Independent Directors

A separate meeting of Independent Directors was held on February 7, 2015. The meeting was attended by all the Independent Directors without the presence of the Executive Directors and the Senior Management team, The Meeting was conducted to enable the Independent Directors to discuss matters prescribed under Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The suggestions made at the meeting of the Independent Directors were communicated to the Chairman of the Company and the Executive Directors for taking appropriate steps. None of the Independent Directors has any pecuniary relationship, transaction or association with the Company.

(4) Familiarisation Program for Independent Directors

The Company has in place the Familiarisation program for Independent Directors appointed from time to time. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to Familiarise them with the business functionaries and the processes of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Program is hosted on the website of the Company at www.akcapindia.com.

(5) Board Procedure

The tentative annual calendar of the Board meetings is agreed upon at the beginning of the calendar year. With regard to matters requiring the approval of the Board, all the concerned persons in the Company communicate with the Company Secretary in advance to enable inclusion of such matters in the agenda of the Board meetings. The agenda is circulated in advance to the Board Members. All major agenda items are backed by comprehensive background information to enable the Board to take the informed decisions. Where it is not practicable to circulate any document, the same is tabled at the meeting.

As part of its functions, the Board periodically reviews the items required to be placed before it as per Clause 49 of the Listing Agreement and in particular reviews and approves the quarter/half yearly unaudited financial statements and the audited annual accounts, corporate strategies, business plans, etc. The Company Secretary places a gist of amendments as they take place in various laws applicable to the Company along with the implications of such amendments on the Company, its Directors and employees.

The Board periodically reviews compliance reports of all laws applicable to the Company. The minutes of the Board meetings of the unlisted subsidiaries are placed at the Board meetings on a quarterly basis. The Board minutes are confirmed by the Board Members at the next meeting. Comments, if any, received from the Directors are also incorporated in the minutes, in consultation with the Chairman.

(6) Code of Conduct

The Company has adopted a Code of Conduct ("Code") in accordance with Clause 49 of the Listing Agreement which applies to all the Board Members and Senior Management Personnel. The Code has been posted on the Company's website www.akcapindia.com. The Board Members and Senior Management Personnel of the Company have confirmed their adherence to

the provisions of the Code. The Code further enjoins the Board Members and Senior Management to act in accordance with the highest standard of honesty, integrity, fairness and good faith and due diligence in performing their duties. The Code has been circulated to all the Board Members and Senior Management Personnel and they have confirmed compliance with the Code. A declaration by the Managing Director of the Company to this effect is annexed to this report as Annexure I.

(C) BOARD COMMITTEES

(1) Audit Committee

The Company has a qualified and independent Audit Committee which has been formed in pursuance of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

Composition

The Audit Committee consists of three Directors of which two are Non-Executive Independent Directors and one is Executive Director. Mr. Subhash Chander Madan, Chairman of the Audit Committee is a Non-Executive Independent Director. All members of the Committee possess strong accounting and financial management expertise. The constitution and terms of reference of the Committee are wide enough covering matters specified under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company Secretary officiates as the Secretary to the Audit Committee.

The composition and designation of the Audit Committee are as under:

Name of the Member	Designation	Category of the Member
Mr. Subhash Chander Madan	Chairman	Non-Executive Independent Director
Mr. Raghubinder Rai	Member	Non-Executive Independent Director
Mr. A. K. Mittal	Member	Executive Director

Terms of Reference

The terms of reference of the Audit Committee *inter alia* include overseeing the Company's financial reporting process and disclosures of financial information.

The Committee is empowered to *inter alia* review and monitor the Statutory Auditors independence and performance and their remuneration. Also recommend the change in Auditors, if felt necessary.

It is authorized to select and establish accounting policies, review Statutory Audit Report, Internal Audit Report and meet them for discussions on their findings, suggestions and other related matters and disclosures of related party transactions, functioning of the Whistle Blower Policy/Vigil Mechanism, monitoring end use of the funds, etc. The Committee reviews the Financial Statements and investments of subsidiary companies. The Committee ensures adequate follow up action is taken by the Management on observations and recommendations made by the respective Auditors. The internal auditor reports directly to the Audit Committee.

The terms of reference and powers of the Audit Committee include all items listed under Clause 49 III (A) of the Listing Agreement and Section 177 of the Companies Act, 2013.

Meetings

During the financial year 2014-15, four meetings of Audit Committee were held on the following dates:

May 25, 2014; August 2, 2014; November 14, 2014 and February 7, 2015.

The gap between two Audit Committee Meetings was not more than four calendar months. The attendance record of the Audit Committee Meetings are as follows:

Name of the Member	Number of Committee meetings attended
Mr. Subhash Chander Madan	4
Mr. Raghubinder Rai	4
Mr. A. K. Mittal	4

Attendees

The Statutory Auditor, Internal Audit Department Head and Chief Financial Officer are invited to attend the Audit Committee Meetings to point out any observations they may have with regard to finance, accounting, operations and other allied matters.

Mr. Subhash Chander Madan, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 20, 2014.

(2) Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee comprises of three Directors of which two are Non-Executive Independent Directors and one is Non-Executive Non-Independent Director. The Chairman of the Committee is a Non-Executive Independent Director. The Composition of Nomination and Remuneration Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The composition and designation of the Committee are as under:

Name of the Member	Designation	Category of the Member
Mr. Raghubinder Rai	Chairman	Non-Executive Independent Director
Mr. Subhash Chander Madan	Member	Non-Executive Independent Director
Mrs. Anshu	Member	Non-Executive Non Independent Director

Terms of Reference

The role of the Committee is recommending candidates for appointment and removal as Directors, KMPs and Senior Management Personnel and their remuneration, evaluation of performance of Directors and monitoring of remuneration policy. During the course of its review, the Committee also decides on the commission of the Directors and/or other incentives payable, taking into account the individual's performance as well as that of the Company.

Nomination and Remuneration Policy

The Board of Directors of the Company has adopted Nomination and Remuneration Policy ('Policy') for the Company, inter alia to deal with the manner of selection and removal of Board of Directors, KMPs and Senior Management Personnel and their remuneration. The reference of the Policy is given to the Directors Report.

Meetings

The Nomination and Remuneration Committee met twice during financial year 2014-15 on February 7, 2015 and March 27, 2015. The details of attendance of members in the Committee Meeting are as under:

Name of the Member	Number of Committee meetings attended
Mr. Raghubinder Rai	2
Mr. Subhash Chander Madan	2
Mrs. Anshu	2

Remuneration to Non Executive Directors

The Company pays ₹ 20,000 towards sitting fees to the Non Executive Directors for every Board Meeting attended. The sitting fees paid/payable to Non Executive Directors for the financial year 2014-15 is as under:

Name of the director	Sitting fees for the Board Meetings paid/payable for the financial year 2014-15 (₹)
Mr. Subhash Chandra Bhargava	80,000
Mr. Subhash Chander Madan	80,000
Mr. Raghubinder Rai	80,000
Mrs. Anshu	20,000

Remuneration to Executive Directors

Remuneration to Managing Director and Whole-time Director is fixed by the Nomination and Remuneration Committee which is subsequently approved by Board of Directors and Shareholders.

Details of remuneration paid/payable to Managing Director and Whole-time Director during the financial year 2014-15 are as under:

Particulars	Mr. A. K. Mittal Managing Director (₹)	Mr. Deepak Mittal Whole Time Director (₹)
Salary and allowances	16,800,000	10,039,505
Bonus	-	-
Perquisites and allowances	1,056,000	-
Total	17,856,000	10,039,505

Shareholding of Directors

The shareholding of the Directors as on March 31, 2015 are as under:

Sr.No.	Name of the Director	No. of shares	% of the total paid up equity share capital of the Company
1	Mr. Subhash Chandra Bhargava	-	-
2	Mr. A. K. Mittal	558,665	8.46
3	Mr. Deepak Mittal	-	-
4	Mr. Subhash Chander Madan	-	-
5	Mr. Raghubinder Rai	-	-
6	Mrs. Anshu	172,275	2.61

(3) Stakeholders' Relationship Committee

Composition

The Stakeholders' Relationship Committee comprises of two Directors of which one is Non-Executive Non-Independent Director and one is Executive Director. The Chairman of the Committee is a Non-Executive Non-Independent Director and is primarily responsible to review all matters connected with transfer of shares and redressal of shareholders complaints. The composition of the Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The composition and designation of the Members of the Committee are as under:

Name of the Member	Designation	Category of the Member
Mrs. Anshu	Chairperson	Non-Executive Non Independent Director
Mr. Deepak Mittal	Member	Whole Time Director

Terms of Reference

The Committee, *inter alia*, approves issue of duplicate share certificates and oversees and reviews all matters connected with transfers, transmissions, splits and consolidation of securities of the Company. The Committee also monitors redressal of investors' grievances relating to transfer of shares, non-receipt of dividend, non-receipt of annual report, etc. and their speedy disposal thereof. It oversees the performance and service standards of the Registrar and Share Transfer Agents of the Company and recommends measures so as to facilitate better investor services and relations.

Meetings

The Committee met six times during the financial year 2014-15 on the following dates:

April 5, 2014; July 4, 2014; October 4, 2014; October 11, 2014; December 11, 2014 and January 3, 2015.

The details of attendance of members in the Committee Meetings are as under:

Name of the Member	Number of Committee meetings attended
Mrs. Anshu	6
Mr. Deepak Mittal	6

Based on the periodically report received from the Company's Registrar and Share Transfer Agent, the Company has received one complaint relating to change of address during the financial year 2014-15. All the complaints were redressed to the satisfaction of the shareholders. No complaint outstanding as on March 31, 2015 and no instruments for transfer were pending as on that date.

The name, designation and address of the Compliance Officer of the Company is as follows:

Name and Designation: Ms. Kanchan Singh, Company Secretary (appointed w.e.f. May 24, 2015)

Address: A. K. Capital Services Limited, 30-39, Free Press House, Nariman Point, Mumbai – 400021

Contacts: Tel: +91 22 66349300, Fax: +91 22 66100594, E-mail: cs@akgroup.co.in

(4) Corporate Social Responsibility Committee

Composition

In accordance with the provisions of section 135 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company at their meeting held on May 25, 2014 have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors as members:

Name of the Member	Designation	Category of the Member
Mr. Subhash Chander Madan	Chairman	Non-Executive Independent Director
Mr. A. K. Mittal	Member	Managing Director
Mr. Deepak Mittal	Member	Whole-time Director

The Company formulated CSR Policy, which is uploaded on the website of the Company.

Meetings

The CSR Committee met three times during financial year 2014-15 on June 2, 2014, October 6, 2014 and March 30, 2015. The details of attendance of members in the CSR Committee Meeting are as under:

Name of the Member	Number of Committee meetings attended
Mr. Subhash Chander Madan	3
Mr. A. K. Mittal	3
Mr. Deepak Mittal	3

Terms of Reference

The terms of reference of the CSR Committee are as follows:

a) Formulating and recommending to the Board, CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

b) Making recommendation on the amount of expenditure to be incurred on CSR activities;

c) Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company.

The CSR Policy adopted in accordance with Section 135 of the Companies Act, 2013 and the details about initiatives taken by the Company on CSR during the financial year as per the annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as an Annexure – 2 to the Directors' Report.

(D) SUBSIDIARY COMPANIES

As per Clause 49 of the Listing Agreement, "material non listed Indian subsidiary" means an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Your Company has two material non listed Indian subsidiaries whose turnover or networth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively of the listed holding company and its subsidiaries in the immediately preceding financial year.

Mr. Raghubinder Rai, Independent Director on the Board of A. K. Capital Services Limited (Holding Company) is also a Director on the Board of A. K. Capital Finance Private Limited (material non-listed Indian subsidiary) as on March 31, 2015.

Mr. Subhash Chander Madan, Independent Director on the Board of A. K. Capital Services Limited (Holding Company) is also a Director on the Board of A. K. Stockmart Private Limited (material non-listed Indian subsidiary).

The financial statements including the particulars of investments made by all the unlisted subsidiary companies are reviewed by the Audit Committee.

The Company has a system of placing the minutes and statement of all the significant transactions of all the unlisted subsidiary companies at the Meeting of the Board of Directors.

(E) GENERAL BODY MEETINGS

All the resolutions moved at the last Annual General Meeting (AGM) of the Company were passed by e-voting and Ballot form with requisite majority of members voted and attending the meeting. No Extraordinary General Meeting was held during the year.

The Location, date, time and venue of the last three AGM of the Company are as follows:

Financial Year	Date	Time	Location/Venue	No. of Special resolutions passed
2013-14	September 20, 2014	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	2
2012-13	August 17, 2013	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	1
2011-12	September 29, 2012	9.00 a.m.	Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi	1

No resolution was pased through postal ballot pursuant to Section 110 of the Companies Act, 2013 during the financial year 2014-15.

(F) DISCLOSURES

a. Related Party Transactions

None of the transactions with any of the related parties were in conflict with the interest of the Company. The disclosure with respect to the related party transactions is set out in the Notes to the financial statements no. 31 forming part of this Annual Report. All related party transactions are carried out on arm's length basis at fair market value and are intended to further the interests of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

b. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards and policies generally accepted in India.

c. Risk Management

The Company has a well-defined risk management framework in place. It has been established for risk identification, assessment and control to effectively manage risks associated with the business of the Company.

d. Other Disclosures

i. The Company has duly complied with all the mandatory requirements of Clause 49 of the Listing Agreement and all other laws applicable to the Company. In respect of compliance with the non-mandatory requirements, the Company has constituted a Nomination and Remuneration Committee, the details whereof are given under the heading “Nomination and Remuneration Committee”.

ii. No penalty or strictures has been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any other Statutory Authorities, on any matter related to the capital markets, during the last three years.

iii. The Company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and employees of the Company. The Code requires pre-clearance for dealing in shares and prohibits the purchase or sale of shares by the Directors and employees while in possession of unpublished price sensitive information. The Compliance Officer ensures compliance of the said Code by all the Directors, Senior Management and employees likely to have access to price sensitive information.

iv. The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy at its meeting held on May 25, 2014, which provides a formal mechanism for all Directors and employees of the Company to approach the Audit Committee and make protective disclosures to the Committee about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conducts or ethic policy. The Company affirms that no Director or employee has been denied access to the Audit Committee during financial year 2014-15.

v. The quarterly and yearly financial results are displayed on the Company's website and are being published in English and Hindi newspapers.

vi. In line with the requirements stipulated by SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

Means of Communication

a) The Company has its own website (www.akcapindia.com) and the information relating to the Company and its services is displayed on its website.

b) The quarterly/ half yearly and annual financial results of the Company are regularly submitted to the stock exchange where the shares of the Company are listed in accordance with the Listing Agreement and are published in English and Hindi newspapers.

c) The following informations , statements, reports are regularly uploaded on the Company's website:

(i) Annual Report of the Company including the Balance Sheet, Profit & Loss Account, Directors' Report and Auditors' Report, Cash Flow Statements, Half-Yearly Financial Statements and Quarterly Financial Statements.

(ii) Corporate Governance Report of the Company.

(iii) Shareholding Pattern of the Company.

(G) MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

(H) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year 2014-15 as required under Clause 49 of the Listing Agreement, is presented in a separate section forming part of this Annual Report.

(I) CEO / CFO CERTIFICATION

The CEO and CFO have certified to the Board with regard to the financial statements and other matters as required by Clause 49 (IX) of the Listing Agreement. The certificate is annexed to this report as Annexure II.

(J) GENERAL SHAREHOLDERS' INFORMATION

Corporate Identification Number of the Company (CIN)

L74899DL1993PLC055524

Details of the 22nd Annual General Meeting of the Company

Date: September 19, 2015
Time: 9.00 a.m.
Venue: Tivoli Garden Resort Hotel, Chattarpur Road, New Delhi -110030

Financial year of the Company

The financial year of the Company covers the period from April 1 to March 31.

Tentative Calendar for the financial year 2015-16

Financial reporting for the	Tentative dates of the Board / General Meeting
First quarter ending on June 30, 2015	On or before August 14, 2015
22nd Annual General Meeting	September 19, 2015
Second quarter ending on September 30, 2015	On or before November 14, 2015
Third quarter ending on December 31, 2015	On or before February 14, 2016
Fourth quarter/year ending on March 31, 2016	On or before May 30, 2016

Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 16, 2015 to Saturday, September 19, 2015 (both days inclusive) in order to determine the entitlement of the shareholders to receive the dividend, if any, for the financial year 2014-15 as well as for the purpose of AGM.

Dividend payment date

The payment of dividend, if any, shall be on or before, Saturday, October 17, 2015.

Distribution of Equity Shareholding

Distribution schedule of Equity shareholding of the Company as at March 31, 2015 is as follows:

Category			Number of Shareholders	% of total Shareholders	Total number of shares held	% of total Shareholding
From		To				
1	-	2,500	1,699	74.160	101,135	1.532
2,501	-	5,000	249	10.869	92,723	1.405
5,001	-	10,000	118	5.151	91,777	1.391
10,001	-	20,000	65	2.837	95,260	1.443
20,001	-	30,000	31	1.353	77,090	1.168
30,001	-	40,000	20	0.873	69,358	1.051
40,001	-	50,000	23	1.004	106,984	1.621
50,001	-	100,000	36	1.571	266,609	4.040
100,001	-	Above	50	2.182	5,699,064	86.349
Total			**2,291**	**100.000**	**6,600,000**	**100.000**

Equity Shareholding pattern of the Company as at March 31, 2015 is as follows:

Category	Number of shares	% of total Shareholding
Promoter and promoter group		
Indian	3,932,580	59.58
Foreign (NRI)	172,275	2.61
Sub-total (A)	**4,104,855**	**62.19**
Public		
NRIs/Foreign Bodies Corporate	35,654	0.54
Indian Bodies Corporate	993,991	15.06
Individual/HUF	1,453,320	22.02
Clearing Members	12,180	0.18
Sub-total (B)	**2,495,145**	**37.81**
Total Shareholding (A) + (B)	**6,600,000**	**100.00**

Listing on Stock Exchanges and Stock code

Bombay Stock Exchange Limited (BSE - 530499)

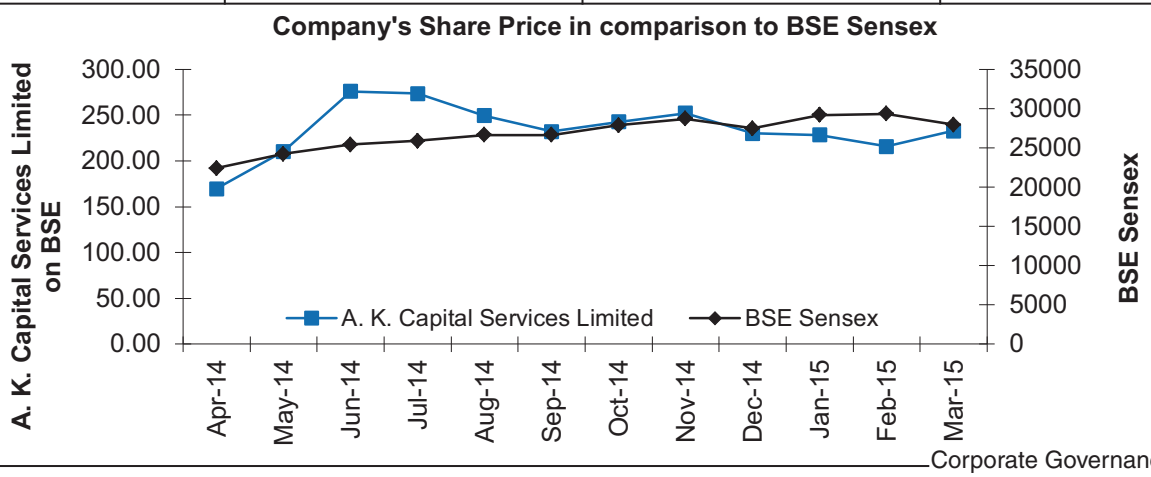
Demat International Securities Identification Number (ISIN) in NSDL and CDSL for equity shares: ISIN. INE701G01012

The Company had paid the listing fees for financial year 2015-16, to the stock exchange where the shares of the Company are listed.

Stock Price Data

The table below gives the monthly high and low quotations of shares traded at Bombay Stock Exchange Limited (BSE) for the FY 2014-15. The chart below plots the monthly closing price of A. K. Capital Services Limited versus BSE-Sensex for the FY 2014-15.

Month	High Price (₹)	Low Price (₹)	No. of Share traded
April 2014	177.00	121.30	160,074
May 2014	246.90	160.00	191,715
June 2014	298.00	205.00	169,647
July 2014	288.00	245.00	86,851
August 2014	285.00	225.00	51,099
September 2014	285.00	229.05	118,719
October 2014	268.00	224.10	28,651
November 2014	274.90	217.50	45,796
December 2014	302.45	225.00	75,856
January 2015	265.00	219.15	119,268
February 2015	253.90	186.00	53,488
March 2015	233.00	183.00	366,824



Share transfer system

The Company's shares are compulsorily traded in dematerialized form. Transfers in physical form logged at the Registrar and Share Transfer Agent's office are processed within a period of 15 days, from the date of submission of all the required documents. With a view to expediting the process of share transfers, transmissions, etc., the Stakeholders' Relationship Committee along with the Company Secretary have been severally empowered to approve the same.

Half Yearly audit of Share Transfers

Pursuant clause 47(c) of the Listing Agreement, the Company obtains from a Practicing Company Secretary on half-yearly basis to the effect that the request for share transfers, sub-division, consolidation, renewal and exchange of certificates comprising equity shares have been processed within the stipulated time period subject to all the documents being in order. A copy of the certificate so received is submitted to the stock exchange where the Company's equity shares are listed.

Dematerialization of shares and liquidity

As on March 31, 2015, 98.82% of the paid-up Equity Share Capital of the Company was in dematerialized form.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

Plant Locations

The Company is in the business of providing financial services; therefore, it does not have any manufacturing plants.

Registrar and Share Transfer Agent

Abhipra Capital Limited is the Registrar and Share Transfer Agent of the Company. The Registrar and Share Transfer Agent acknowledges and executes the transfer of shares and arranges for issue of dividend Warrants and also undertakes the dematerialization/rematerialisation of equity shares. The Registrar and Share Transfer Agent also accepts, deals with and resolves complaints of shareholders.

Address for correspondence

For any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non receipt of annual report, interest/dividend warrant and any other query relating to the shares of the Company, the investors may please write to the following address:

Abhipra Capital Limited
Abhipra Complex, A-387
Dilkhush Industrial Area
G.T. Karnal Road, Azadpur
New Delhi – 110033
Tel: +91 11 42390900
Fax: +91 11 27215530
email: rta@abhipra.com
website: www.abhipra.com

The Company Secretary
A. K. Capital Services Limited
30-39, Free Press House, 3rd floor
Free Press Journal Marg
215, Nariman Point
Mumbai – 400021
Tel: +91 22 66349300
Fax: +91 22 66100594
email: cs@akgroup.co.in
website: www.akcapindia.com

For queries relating to the financial statements and investors information, other than those relating to shares/ dividend, please write to:
Mr. Mahesh Bhootra
Chief Financial Officer
A. K. Capital Services Limited
30-39, Free Press House, 3rd floor
Free Press Journal Marg
215, Nariman Point
Mumbai – 400021
Tel: +91 22 67546500
Fax: +91 22 66100594
E-mail: accounts@akgroup.co.in
website: www.akcapindia.com

COMPLIANCE CERTIFICATE FROM THE AUDITORS

A certificate from the Auditors certifying the Company's compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed as Annexure III.

Place: Mumbai
Date : August 14, 2015

ANNEXURE I

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

The Company has adopted a Code of Conduct for Directors and Senior Management, which is posted on the website of the Company. The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct in respect of the financial year 2014-15.

By the order of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)

Place: Mumbai
Date : August 14, 2015

ANNEXURE II

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

We have reviewed the financial statements and the cash flow statement for the financial year 2014-15 and to the best of our knowledge and belief, certify that:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or which will violate the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, the deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee that there is:

i. no significant change in internal control over financial reporting during the year,

ii. no significant change in accounting polices during the year under review and

iii. no instances of any fraud in the Company in which the management has any role.

A. K. Mittal
Managing Director
(DIN: 00698377)

Mahesh Bhootra
Chief Financial Officer

Place: Mumbai
Date : August 14, 2015

ANNEXURE III

AUDITOR'S CERTIFICATE

To
The Members of
A. K. Capital Services Limited

We have examined the compliance of conditions of Corporate Governance by **A. K. Capital Services Limited**, for the year ended 31 March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Registration No.: 121750W/W-100010

(Ramesh Gupta)
Partner
Membership No. : 102306

Place: Mumbai
Date : August 14, 2015

INDEPENDENT AUDITORS' REPORT

To,
The Members of
A. K. CAPITAL SERVICES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **A. K. Capital Services Limited** ("the Company") which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
ICAI Reg. No. 121750W/W-100010

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai
Dated: May 24, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner on yearly basis. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(ii) Considering the nature of business, the Company does not have inventory. In view of this, paragraph 3 (ii) (a), 3 (ii) (b) and 3 (ii) (c) of the Order are not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii) (a) and (b) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of services and fixed assets and for the sale of services. Further, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.

(v) The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.

(vii) (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, wealth tax, service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the 31 March, 2015 for a period of more than six months from the date they became payable. As informed, statutory dues in the nature of employee state insurance, sales tax, duty of customs, duty of excise and value added tax are not applicable to the Company.

(b) According to information and explanations given to us, there are no dues on account of sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute except the following dues of income tax :

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	1,242,940	April 2011 to March 2012	Deputy Commissioner of Income Tax

(c) According to the information and explanations given to us, the Company has transferred amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and the rules made thereunder.

(viii) The Company has no accumulated losses as at 31 March, 2015 and it has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions. The Company has not issued any debentures.

(x) According to information and explanations given to us, the Company has given guarantee for working capital facility and term loan facility taken by its subsidiary company from bank. However, in our opinion, the terms and conditions of the said loan are prima facia not prejudicial to the interest of the Company.

(xi) Based on information and explanations given to us, the term loans have been applied for the purpose of which they were raised.

(xii) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
ICAI Reg. No. 121750W/W-100010

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai
Dated: May 24, 2015

BALANCE SHEET AS AT MARCH 31, 2015

	Note No.	As at 31.03.2015 ₹	As at 31.03.2014 ₹
I EQUITY AND LIABILITES			
1 **Shareholders' funds**			
(a) Share capital	2	66,000,000	66,000,000
(b) Reserves and surplus	3	3,107,286,076	2,976,746,591
		3,173,286,076	**3,042,746,591**
2 **Non-current liabilities**			
(a) Long-term borrowings	4	-	283,015,766
(b) Deferred tax liabilities (net)	5	42,799,379	43,859,223
(c) Long-term provisions	6	12,578,425	9,444,723
		55,377,804	**336,319,712**
3 **Current liabilities**			
(a) Short-term borrowings	7	1,513,814,485	980,000,000
(b) Trade payables	8	25,115,997	14,993,682
(c) Other current liabilities	9	338,331,133	52,665,202
(d) Short-term provisions	10	57,206,345	47,152,456
		1,934,467,960	**1,094,811,340**
TOTAL		**5,163,131,840**	**4,473,877,643**
II ASSETS			
1 **Non-current assets**			
(a) Fixed assets	11		
(i) Tangible assets		368,915,830	403,564,646
(ii) Intangible assets		117,008	617,461
(b) Non-current investments	12	2,676,904,200	2,676,945,500
(c) Long-term loans and advances	13	3,503,908	13,577,011
		3,049,440,946	**3,094,704,618**
2 **Current assets**			
(a) Current investments	14	1,897,357,682	1,193,799,897
(b) Trade receivables	15	82,683,918	52,638,927
(c) Cash and bank balances	16	20,028,387	49,668,382
(d) Short-term loans and advances	17	78,799,258	80,374,039
(e) Other current assets	18	34,821,649	2,691,780
		2,113,690,894	**1,379,173,025**
TOTAL		**5,163,131,840**	**4,473,877,643**
Significant accounting policies	**1**		

The notes referred above form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

On behalf of the Board of Directors

Ramesh Gupta Partner Membership No. 102306	A. K. Mittal Managing Director (DIN: 00698377)	Deepak Mittal Director (DIN: 00043685)	Vikas Agarwal Chief Finance Officer	Kanchan Singh Company Secretary (ACS: A24596)

Place : Mumbai
Date : May 24, 2015

Place: Mumbai
Date: May 24, 2015

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note No.	Current Year ₹	Previous Year ₹
I Revenue from operations	19	946,113,870	947,155,142
II Other income	20	30,496,952	28,392,455
III Total revenue (I+II)		**976,610,822**	**975,547,597**
IV EXPENSES			
Employee benefits expense	21	184,455,018	200,854,019
Finance cost	22	185,325,296	120,098,142
Depreciation / amortisation expenses	11	20,609,423	16,961,904
Other expenses	23	309,295,021	329,432,278
Total expenses		**699,684,758**	**667,346,343**
V Profit before tax (III-IV)		**276,926,064**	**308,201,254**
VI Tax expenses			
- current tax		95,000,000	100,500,000
- deferred tax		1,585,221	4,795,333
- Earlier year tax adjustments		(2,714,176)	-
		93,871,045	105,295,333
VII Profit after tax (V-VI)		**183,055,019**	**202,905,921**
VIII Earnings per share (₹):			
Basic earnings per share		27.74	30.74
Diluted earnings per share		27.74	30.74
Nominal value of equity shares		10.00	10.00
Significant accounting policies	**1**		

The notes referred above form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

On behalf of the Board of Directors

Ramesh Gupta
Partner
Membership No. 102306

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Vikas Agarwal
Chief Finance Officer

Kanchan Singh
Company Secretary
(ACS: A24596)

Place : Mumbai
Date : May 24, 2015

Place: Mumbai
Date: May 24, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	Current Year ₹	Previous Year ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	276,926,064	308,201,254
Adjustments for		
Depreciation/Amortisation	20,609,423	16,961,904
Loss on sale of fixed assets	2,389,548	2,600,101
Interest income on current investments	(48,577,439)	(73,671,312)
Interest income - others	(2,264,167)	(322,492)
Interest expenses	181,345,325	118,604,442
Profit on sale of current investments (net)	(175,835,889)	(1,598,723)
Deposits / bad debts written-off	4,869,155	525,000
Balances written back	(14,170)	(51,145)
Operating profit before working capital adjustments	**259,447,850**	**371,249,029**
Adjustments for		
(Increase)/decrease in trade and other receivables	(32,992,874)	(11,360,008)
Increase/(Decrease) in trade and other payables	14,472,215	(1,177,733)
Cash generated from operations	**240,927,191**	**358,711,288**
Direct Taxes Paid	(76,503,342)	(137,932,596)
Net cash generated from operating activities	**164,423,849**	**220,778,692**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,092,630)	(10,638,395)
Sale of fixed assets	5,600,000	4,602,000
(Purchase) / sale of investments (net)	(527,680,596)	(413,354,285)
Deposits with bank having original maturity of more than three months	(7,180,974)	-
Interest income on current investments	16,483,592	80,877,296
Interest income - others	2,264,167	322,492
Net cash generated used in investing activities	**(511,606,441)**	**(338,190,892)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of borrowings (net)	527,419,194	306,403,982
Interest paid	(170,844,065)	(118,699,984)
Dividend paid	(39,600,000)	(39,600,000)
Dividend distribution tax paid	(6,730,020)	(6,730,020)
Net cash generated from financing activities	**310,245,109**	**141,373,978**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(36,937,483)**	**23,961,778**
Cash and cash equivalents at the beginning of the year	48,732,447	24,770,669
Cash and cash equivalents at the end of the year	**11,794,964**	**48,732,447**

Notes:-

1 The above cash flow statement has been prepared under 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement' notified by Central Government of India.

2 Cash and Cash equivalents for the purpose of cash flow statement comprises cash on hand and cash at bank excluding fixed deposit with original maturity period of more than three months.

The notes referred above form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : May 24, 2015

On behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Vikas Agarwal
Chief Finance Officer

Kanchan Singh
Company Secretary
(ACS: A24596)

Place: Mumbai
Date: May 24, 2015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE -1

SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of preparation of financial statements:**

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles ('GAAP') in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of the Accounting Standard (AS) 3 Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

b) **Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) **Fixed assets:**

i) **Tangible assets**

Tangible assets are stated at cost less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

ii) **Intangible assets**

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The capitalised cost includes license fees and cost of implementation / system integration services.

d) **Depreciation / amortisation:**

i) **Tangible assets**

Depreciation on tangible fixed assets is provided on straight-line method on pro-rata basis in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956 up to 31 March, 2014. From 1 April, 2014, the Company has provided depreciation on the basis of useful life of fixed assets specified by Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the lease period.

ii) **Intangible assets**

Software is amortised on a straight line basis over its estimated useful life of 3 years.

e) **Investments:**

i) Non-current investments are valued at cost. Provision is made for diminution in the values when the decline is other than temporary.

ii) Current investments are valued at lower of cost or fair value determined on an individual investment basis.

f) **Revenue recognition:**

Revenue from service charges, fees and commission is recognised when the contract has been completed.

Investment income is recognised on the date of sale of securities.

Interest income is recognised on accrual basis.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Rent income is recognised on accrual basis.

g) **Transaction in foreign currencies:**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing at the date of the balance sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

h) **Retirement benefits:**

i. Defined contribution plans

The Company contributes to Employee's Provident Fund (a defined contribution plan) towards post employment benefits, which is administered by the respective Government authorities and the Company has no further obligation beyond making its contribution.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

ii. Defined benefit plans

The Company has a defined benefit plan namely gratuity for all its employees. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

iii. Employee leave entitlement

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided as at the year end and charged to the statement of profit and loss.

I **Accounting for taxes on income**:

i) Provision for income tax is made on the basis of the estimated taxable income for the accounting year in accordance with the Income-tax Act, 1961.

ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a virtual / reasonable certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

j) **Lease:**

i. As a Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on straight-line basis over the lease term.

ii) As a Lessor:

Assets subject to operating lease are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

k) **Borrowing costs:**

Borrowing costs attributable to the acquisition and construction of qualifying assets upto the date of such acquisition or construction are capitalised as part of the cost of respective assets. Other borrowing costs are charged to statement of profit and loss in the period in which they are incurred.

l) **Impairment of assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

m) **Provisions and contingent liabilities:**

The Company creates a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

n) **Earnings per share:**

The basic earnings per share ("EPS") is computed by dividing the net profit/ (loss) after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year available for equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 2		
SHARE CAPITAL		
Authorised		
33,000,000 (previous year 33,000,000) Equity shares of ₹10 each	330,000,000	330,000,000
200,000 (previous year 200,000) Redeemable cumulative preference shares of ₹100 each	20,000,000	20,000,000
	350,000,000	**350,000,000**
Issued, subscribed and paid up		
6,600,000 (previous year 6,600,000) Equity shares of ₹ 10 each fully paid up	66,000,000	66,000,000
	66,000,000	**66,000,000**

a. Reconciliation of the shares outstanding at the beginning and at the year end

Equity shares	As at 31.03.2015		As at 31.03.2014	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Shares outstanding at the beginning of the year	6,600,000	66,000,000	6,600,000	66,000,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**6,600,000**	**66,000,000**	**6,600,000**	**66,000,000**

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2015, the amount of final dividend recognised as distributions to equity shareholders is ₹ 6 per share - final dividend ; (Previous year ₹ 6 per share - final dividend).

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of shares held	% of holding	No. of shares held	% of holding
A. K. Capital Markets Limited	979,043	14.83%	957,000	14.50%
A. K. Services Private Limited	966,769	14.65%	860,300	13.04%
Second Leasing Private Limited	737,370	11.17%	737,370	11.17%
A. K. Mittal	558,665	8.46%	506,818	7.68%
A. M. Credit Analysis and Research Limited	371,000	5.62%	371,000	5.62%

* Includes 2,000 shares of the Company bought on 31 March, 2015 which shall be reflected on T+2 basis in Demat statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 3		
RESERVES AND SURPLUS		
Capital reserve		
Opening balance	67,500,000	67,500,000
Add: Additions during the year	-	-
Closing balance	**67,500,000**	**67,500,000**
Securities premium account		
Opening balance	344,000,000	344,000,000
Add: Additions during the year	-	-
Closing balance	**344,000,000**	**344,000,000**
General reserve		
Opening balance	458,088,960	437,088,960
Add: Additions during the year	19,000,000	21,000,000
Closing balance	**477,088,960**	**458,088,960**
Surplus in statement of profit and loss		
Opening balance	2,107,157,631	1,971,581,730
Less: Adjustment (net of deferred tax assets of Rs 2,645,065) in accordance with the transitional provisions of the Schedule II of the Act (Refer Note No. 11)	4,997,863	-
Add: Profit for the year	183,055,019	202,905,921
Amount available for appropriation	**2,285,214,787**	**2,174,487,651**
Appropriations:		
Proposed dividend	39,600,000	39,600,000
Dividend distribution tax	7,917,671	6,730,020
Transfer to general reserves	19,000,000	21,000,000
Closing balance	**2,218,697,116**	**2,107,157,631**
	3,107,286,076	**2,976,746,591**
NOTE - 4		
LONG TERM BORROWINGS		
Secured		
Term loans		
From NBFC*	-	280,000,000
Vehicle loan		
From banks**	-	3,015,766
	-	**283,015,766**

* Term loan from NBFC is secured against mortgage of the Company's immovable property together with all structures and appurtenances thereon held by the Company situated at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021. As at 31 March 2015, the loan amount is repayable in lump sum at the end of the term of loan of 6 months, with a put and call option on 1st May 2015 and 1st day of every month thereafter. As at 31 March, 2014, the loan amount is repayable in lump sum at the end of the term of loan of 18 months, with a put and call option on 1st May 2015 and 1st day of every month.

** Vehicle loans from banks are repayable in 36 equated monthly installments along with interest from the date of loan. The loans are secured by hypothecation of motor vehicle purchased there against.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 5		
DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities:		
Depreciation	47,233,144	47,128,540
	47,233,144	**47,128,540**
Less; Deferred tax assets:		
Expenses allowable on payment basis (gratuity)	4,433,765	3,269,317
	4,433,765	3,269,317
	42,799,379	**43,859,223**
NOTE - 6		
LONG TERM PROVISIONS		
For employee benefits		
Gratuity (unfunded)	12,578,425	9,444,723
	12,578,425	**9,444,723**
NOTE - 7		
SHORT TERM PROVISIONS		
Secured		
Loans repayable on demand		
From bank *	529,039,608	980,000,000
From NBFC **	984,774,877	-
	1,513,814,485	**980,000,000**

* Bank overdraft facilities are secured against pledge of debt securities / Central & State Government securities and personal guarantee of two directors of the Company. The loan is repayable on demand.

** Line of credit from NBFC is secured by pledge of securities as per the approved list of the lender. The loan is repayable on demand.

NOTE - 8		
TRADE PAYABLES		
Total outstanding dues of micro, small and medium enterprises (Refer note no. 35)	-	-
Total outstanding dues of trade payable other than micro, small and medium	25,115,997	14,993,682
	25,115,997	**14,993,682**
NOTE - 9		
OTHER CURRENT LIABILITIES		
Current maturities of long-term debt - from banks (Refer note no.4)	3,015,766	6,170,712
Current maturities of long-term debt - from NBFC (Refer note no.4)	280,000,000	224,579
Interest accrued and due on borrowings	10,741,518	2,302,520
Interest accrued but not due on short term borrowings	271,578	293,281
Creditors for capital goods	331,084	362,502
Unpaid dividends*	1,050,048	933,508
Statutory dues	6,945,420	6,528,045
Deposits	27,918,000	27,918,000
Employees dues	7,806,117	7,391,657
Other Payable	251,602	540,398
	338,331,133	**52,665,202**

* During the year, ₹ 81,825 (Previous year ₹ 117,800) has been credited into Investor Education and Protection Fund under Section 124(5) of the Companies Act, 2013. Further, there are no dues as at 31 March 2015 which needs to be credited into Investor Education and Protection Fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 10		
SHORT TERM PROVISIONS		
Provision for employee benefits		
Gratuity (unfunded)	232,962	173,744
Leave encashment	1,163,341	648,692
	1,396,303	**822,436**
Others		
Provision for taxation(Net of Advance Tax ₹ 350,795,513 Previous Year ₹ Nil)	8,292,371	-
Provision for proposed dividend	39,600,000	39,600,000
Provision for dividend distribution tax	7,917,671	6,730,020
	55,810,042	**46,330,020**
	57,206,345	**47,152,456**

NOTE - 11
FIXED ASSETS

(Amount in ₹)

Particulars	Tangible assets									Intangible assets	
	Plant and machinery	Computers	Furniture and fixtures	Office equipment	Office buildings	Office premises under lease	Leasehold improvements	Vehicles	Total	Software	Total
Gross block (at cost)											
As at 1 April 2013	369,060	13,531,653	20,360,629	12,715,284	28,297,389	343,500,152	14,971,303	61,374,087	**495,119,557**	4,084,073	**4,084,073**
Additions	-	425,468	249,225	794,670	-	-	9,075,000	-	**10,544,363**	94,032	**94,032**
Deductions/adjustments	-	-	-	-	-	-	-	(10,412,661)	**(10,412,661)**	-	**-**
As at 31 March 2014	**369,060**	**13,957,121**	**20,609,854**	**13,509,954**	**28,297,389**	**343,500,152**	**24,046,303**	**50,961,426**	**49,52,51,259**	**4,178,105**	**4,178,105**
As at 1 April 2014	369,060	13,957,121	20,609,854	13,509,954	28,297,389	343,500,152	24,046,303	50,961,426	**495,251,259**	4,178,105	**-**
Additions	-	226,080	490,333	350,871	-	-	-	3,980	**1,071,264**	21,366	**4,178,105**
Deductions/adjustments	-	-	-	-	-	-	-	(15,666,009)	**(15,666,009)**	-	**21,366**
As at 31 March 2015	**369,060**	**14,183,201**	**21,100,187**	**13,860,825**	**28,297,389**	**343,500,152**	**24,046,303**	**35,299,397**	**480,656,514**	**4,199,471**	**-**
Depreciation/amortisation											
As at 31 March 2013	314,063	10,763,314	6,785,390	4,018,779	3,032,633	26,706,711	14,971,303	12,041,573	**78,633,766**	2,862,147	**4,199,471**
For the year	14,691	897,611	1,329,151	687,136	461,248	5,599,052	2,268,750	5,005,768	**16,263,407**	698,497	**2,862,147**
Deductions/adjustments	-	-	-	-	-	-	-	(3,210,560)	**(3,210,560)**	-	**698,497**
As at 31 March 2014	**328,754**	**11,660,925**	**8,114,541**	**4,705,915**	**3,493,881**	**32,305,763**	**17,240,053**	**13,836,781**	**91,686,613**	**3,560,644**	**-**
As at 31 March 2014	**328,754**	**11,660,925**	**8,114,541**	**4,705,915**	**3,493,881**	**32,305,763**	**17,240,053**	**1,3,836,781**	**91,686,613**	3,560,644	**3,560,644**
For the year	5,760	820,523	3,585,252	1,138,996	464,130	5,738,403	2,912,405	5,422,135	**20,087,604**	521,819	**3,560,644**
Transitional Reserve	-	1,342,400	-	6,300,528	-	-	-	-	**7,642,928**	-	**521,819**
Deductions/adjustments	-	-	-	-	-	-	-	(7,676,461)	**(7,676,461)**	-	**-**
As at 31 March 2015	**334,514**	**13,823,848**	**11,699,793**	**12,145,439**	**3,958,011**	**38,044,166**	**20,152,458**	**11,582,455**	**111,740,684**	**4,082,463**	**-**
Net block											**4,082,463**
At 31 March 2014	**40,306**	**2,296,196**	**12,495,313**	**8,804,039**	**24,803,508**	**311,194,389**	**6,806,250**	**37,124,645**	**403,564,646**	**617,461**	**617,461**
At 31 March 2015	**34,546**	**359,353**	**9,400,394**	**1,715,386**	**24,339,378**	**305,455,986**	**3,893,845**	**23,716,942**	**368,915,830**	**117,008**	**117,008**

Notes:

1 Vehicles include vehicles hypothecated against loan taken having gross block of ₹17,876,388 (as at 31.3.2014 ₹ 30,726,584), accumulated depreciation of ₹ 4,786,720 (as at 31.3.2014 ₹ 4,907,858) and net block of ₹ 13,089,668 (as at 31.3.2014 ₹ 25,818,726).

2 The Company has charged depreciation based on revised remaining useful life of the assets as per the requirement of Schedule II of Companies Act 2013 effective from 1 April 2014. Due to above, depreciation charged for the year ended is higher by ₹ 4,631,921. Further, based on transitional provision in Note 7(b) to Schedule II, an amount of ₹ 4,997,863 (net of deferred tax ₹ 2,645,065) has been adjusted to opening balance of the retained earnings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Face Value	As at 31.03.2015		As at 31.03.2014	
	₹	Number	₹	Number	₹
NOTE - 12					
NON CURRENT INVESTMENTS					
Trade -unquoted-subsidiaries -fully paid up					
Equity shares of A.K. Stockmart Private Limited (wholly owned subsidiary)	10	12,000,000	120,000,000	12,000,000	120,000,000
Equity shares of A.K. Capital Corporation Private Limited (wholly owned subsidiary)	10	2,100,000	21,000,000	2,100,000	21,000,000
Equity shares of A.K. Capital Finance Private Limited	10	19,653,740	2,415,524,000	19,653,740	2,415,524,000
Equity shares of A.K. Wealth Management Private Limited (wholly owned subsidiary)	10	2,250,000	22,500,000	2,250,000	22,500,000
Equity shares of A.K. Capital (Singapore) PTE. Limited (wholly owned subsidiary)	SGD 1	399,108	19,785,000	399,108	19,785,000
			2,598,809,000		2,598,809,000
Unquoted - others - fully paid up					
Equity shares of Intelligroup Advisors Private Limited	10	4,600	46,000	4,600	46,000
Equity shares of A.K. Capital Retail Private Limited	10	1,000	10,000	1,000	10,000
Equity shares of A.K. Commodities Private Limited	10	3,000	30,000	3,000	30,000
Equity shares of Sunrise Corporate Services Limited	10	100,000	1,000,000	100,000	1,000,000
Equity shares of India Bond Private Limited	10	800	8,000	800	8,000
Equity shares of Nessa Leisure Limited	10	415,000	68,100,000	415,000	68,100,000
Non trade, unquoted - others					
Units of Urban Infrastructure Venture Capital Limited	100,000	70	8,901,200	70	8,942,500
			78,095,200		78,136,500
TOTAL			**2,676,904,200**		**2,676,945,500**
Aggregate amount of unquoted investments			**2,676,904,200**		**2,676,945,500**

Note:

During the year, cost of investment in Urban Infrastructure Venture Capital Limited has been reduced by ₹ 41,300 on account of distribution received from Urban Infrastructure Opportunity fund by way of return of capital vide letter dated 26 July 2014 and 03 December 2014.

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 13		
LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Deposits	569,539	568,219
Other loans and advances		
Advance income tax (Net of Provision ₹ Nil - Previous Year ₹ 916,799,535)	-	9,574,076
Advances to employees	2,922,369	3,255,450
Prepaid expenses	12,000	179,266
	3,503,908	**13,577,011**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Face Value	As at 31.03.2015		As at 31.03.2014	
	₹	Number	₹	Number	₹
NOTE - 14					
NON CURRENT INVESTMENTS					
Non trade, quoted (fully paid up) - current					
Equity shares					
Shamken Spinners Ltd.	10	8,500	9,010	8,500	9,010
Bonds					
10.00%Shriram Transport Finance Company Ltd. 2028	1,000,000	50	50,314,050	-	-
10.25% Amtek Auto Ltd. 2015	1,000,000	200	200,000,000	-	-
10.25% Shriram Transport Finance Company Ltd. 2015	1000	5,308	5,243,230	-	-
10.50% Amtek Auto Ltd. 2020	1,000,000	18	18,000,000	-	-
10.50% India bulls Housing Finance Ltd. 2017	1,000,000	3	3,000,600	-	-
10.50% Shriram Transport Finance Company Ltd. 2017	1000	3,000	2,981,115	-	-
10.60% Dewan Housing Finance Corporation Ltd. 2023	1,000,000	4	4,052,000	-	-
10.70% Dewan Housing Finance Corporation Ltd. 2021	1,000,000	2	2,046,600	-	-
10.70% Dewan Housing Finance Corporation Ltd. 2021	1,000,000	20	20,336,000	-	-
10.75% Dewan Housing Finance Ltd. 2023	1,000,000	6	6,002,400	-	-
11.15% Dewan Housing Finance Corporation Ltd. 2018	1,000,000	4	4,000,800	-	-
11.25% SREI Infrastructure Finance Ltd. 2019	1,000	6,000	6,029,400	-	-
12.00% SREI Infrastructure Finance Ltd. 2019	1,000	900	901,170	-	-
7.98% Infrastructure Development Finance Company Ltd. 2023	1,000,000	1	1,033,300	-	-
8.40% GOI Loan 2024	100	25,000	2,612,500	-	-
8.54% National Hydroelectric Power Corporation 2028	1,000	4,190	4,708,722	-	-
8.60% LIC Housing Finance Ltd. 2020	1,000,000	1	1,056,900	-	-
8.67% National Hydroelectric Power Corporation 2033	1,000	9,899	11,507,865	-	-
8.99% Industrial Development Bank of India 2027	1,000,000	4	4,084,000	-	-
9.13% Krishna Bhagya Jala Nigam Ltd. 2024	1,000,000	700	700,000,000	-	-
9.15% Punjab National Bank	1,000,000	758	760,945,200	-	-
9.48% Bank of Baroda	1,000,000	39	39,319,800	-	-
9.85% Shriram Transport Finance Company Ltd. 2017	1,000	18,100	18,214,030		
9.85% Shriram Transport Finance Company Ltd. 2021	1,000,000	15	15,006,000		
7.00% Industrial Development Bank of India 2019	5,000	155	775,233	155	775,233
9.50% Tourism Finance Corporation of India Ltd. 2023	1,000,000	1	1,032,265	45	45,425,250
9.60% Tourism Finance Corporation of India Ltd. 2028	1,000,000	8	8,056,344	-	-
9.65% Tourism Finance Corporation of India Ltd. 2033	1,000,000	2	2,037,948	-	-
10.00% Reliance Infrastructure Ltd. 2020	1,000,000	-	-	1	1,000,600
11.25% Fullerton India Credit Company Ltd. 2018	1,000,000	4	4,051,200	8	8,102,400
8.58% PNB Housing Finance Ltd. 2023	1,000,000	-	-	358	358,487,404
10.50% Shriram Transport Finance Corporation Ltd. 2021	1,000,000	-	-	200	200,000,000
10.60% Shriram Transport Finance Corporation Ltd. 2024	1,000,000	-	-	130	130,000,000
10.70% Dewan Housing Finance Corporation Ltd. 2024	1,000,000	-	-	450	450,000,000
TOTAL			**1,897,357,682**		**1,193,799,897**
Aggregate amount of quoted investments					
Equity			**9,010**		**9,010**
Bonds			**1,897,348,672**		**1,193,790,887**
Aggregate market value of quoted investments					
Equity			**9,010**		**9,010**
Bonds*			**1,897,348,672**		**1,193,790,887**

* Bonds are valued at cost as the market value is not available.
(Refer note no. 25 & 26)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 15		
TRADE RECEIVABLES		
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	82,683,918	52,609,310
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	29,617
	82,683,918	**52,638,927**
NOTE - 16		
CASH & BANK BALANCES		
Cash and cash equivalents		
a) Cash on Hand	1,347,778	1,069,299
b) Balances with banks		
- in current account	9,741,362	21,706,305
- debit balance of bank overdraft facility	705,824	25,956,843
	11,794,964	**48,732,447**
Other bank balances:		
In other deposit accounts		
- original maturity more than 3 months *	7,180,974	-
In Earmarked accounts- unpaid dividend accounts	1,052,449	935,935
	8,233,423	**935,935**
	20,028,387	**49,668,382**
* (Under lien in favour of the trustees of MFL Securitization Trusts)		
NOTE - 17		
SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans and advances to related parties		
Deposits with directors and relative	35,662,000	35,662,000
Other receivables	3,592	-
Loans and advances to others		
Loans and advances to other parties	12,996,076	190,451
Deposits	24,985,690	39,512,510
Prepaid expenses	4,835,531	2,331,838
Balances with government authorities	316,369	2,677,240
	78,799,258	**80,374,039**
NOTE - 18		
OTHER CURRENT ASSETS		
Current maturities of long term loans and advances to employees	146,634	110,612
Interest receivable on investments and fixed deposits	34,675,015	2,581,168
	34,821,649	**2,691,780**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Current Year ₹	Previous Year ₹
NOTE - 19		
REVENUE FROM OPERATIONS		
Sale of services	721,700,542	871,885,107
Interest income on current investment	48,577,439	73,671,312
Profit on sale of current investments	175,835,889	1,598,723
	946,113,870	**947,155,142**
NOTE - 20		
OTHER INCOME		
Rent income	27,918,000	27,918,000
Interest income	2,264,167	322,492
Other non operating income	314,785	151,963
	30,496,952	**28,392,455**
NOTE - 21		
EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	181,388,650	197,067,329
Contribution to provident fund	660,277	418,580
Staff welfare expenses	2,406,091	3,368,110
	184,455,018	**200,854,019**
NOTE - 22		
FINANCE COST		
Interest expenses	179,261,360	11,86,04,442
Others borrowing costs	3,979,971	14,93,700
Interest on income tax	2,083,965	-
	185,325,296	**12,00,98,142**
NOTE - 23		
OTHER EXPENSES		
Electricity expenses	3,506,426	5,255,837
Rent expenses	57,710,743	70,067,075
Repairs and maintenance:		
- building	5,336,661	8,739,046
- others	1,463,689	1,635,977
Rates and taxes	2,066,646	2,345,232
Travelling expenses	13,753,129	18,601,327
Auditor's remuneration:		
As auditor	205,000	205,000
for other services	122,500	128,000
Professional fees	2,746,479	5,244,883
Printing and stationary expenses	4,623,949	7,460,971
Bad debts	4,869,155	525,000
Advertisement expenses	3,451,928	4,112,375
Business promotion expenses	7,336,320	20,475,791
Incentive expenses	141,379,705	50,541,868
Sub arranger fees	28,085,000	106,386,300
Loss on sale of fixed asset	2,389,548	2,600,101
CSR expenditure (Refer Note - 34)	8,013,864	-
Miscellaneous expenses	22,234,279	25,107,495
	309,295,021	**329,432,278**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 24		
CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)		
Corporate guarantee given to a bank in respect of working capital facility and term loan facility taken by a subsidiary company	2,750,000,000	3,500,000,000
Total	**2,750,000,000**	**3,500,000,000**

	As at 31.03.2015		As at 31.03.2014	
NOTE - 25	**Number**	**₹**	**Number**	**₹**
FOLLOWING ARE THE DETAILS OF SECURITIES PLEDGED WITH THE BANK AS ON 31 MARCH 2015				
10.00% Reliance Infrastructure Ltd 2020	-	-	1	1,000,600
10.00%Shriram Transport Finance Company Ltd 2028	50	50,314,050	-	-
10.25% Amtek Auto Ltd. 2015	200	200,000,000		
10.50% Amtek Auto Ltd. 2020	18	18,000,000		-
10.50% India bulls Housing Finance Ltd 2017	3	3,000,600	-	
10.50% Shriram Transport Finance Corporation Ltd 2021	-	-	200	200,000,000
10.60% Dewan Housing Finance Corporation Ltd. 2023	4	4,052,000		
10.70% Dewan Housing Finance Corporation Ltd. 2021	2	2,046,600		
10.60% Shriram Transport Finance Corporation Ltd 2024	-	-	130	130,000,000
10.70% Dewan Housing Finance Corporation Ltd 2024	-	-	450	450,000,000
10.70% Dewan Housing Finance Corporation ltd. 2021	20	20,336,000	-	-
10.75% Dewan Housing Finance Corporation Ltd 2023	6	6,002,400	-	-
11.15% Dewan Housing Finance Corporation Ltd. 2018	4	4,000,800		
11.25% Fullerton India Credit Company Ltd 2018	-	-	8	8,102,400
11.25% Fullerton India Credit Company Ltd. 2018	4	4,051,200	-	-
11.25% SREI Infrastructure Finance Ltd. 2019	6,000	6,029,400	-	-
12.00% SREI Infrastructure Finance Ltd. 2019	900	901,170	-	-
7.00% Indian Development Bank of India 2019	155	775,233	155	775,233
7.98% Infrastructure Development Finance Company Ltd 2023	1	1,033,300	-	-
8.54% National Hydroelectric Power Corporation 2028	4,190	4,708,722	-	-
8.58% PNB Housing Finance Ltd 2023	-	-	358	358,487,404
8.60% LIC Housing Finance Ltd 2020	1	1,056,900	-	-
8.67% National Hydroelectric Power Corporation 2033	9,890	11,497,402	-	-
8.99% Indian Development Bank of India 2027	4	4,084,000	-	-
9.13% Krishna Bhagya Jala Nigam Ltd. 2024	325	325,000,000	-	-
9.48% Bank of Baroda	39	39,319,800	-	-
9.50% Tourism Finance Corporation of India 2023	1	1,032,265	45	45,425,250
9.60% Tourism Finance Corporation of India 2028	8	8,056,344	-	-
9.65% Tourism Finance Corporation of India 2033	2	2,037,948	-	-
9.85% Shriram Transport Finance Company Ltd 2017	18,100	18,214,030	-	-
9.85% Shriram Transport Finance Company Ltd. 2021	15	15,006,000		
Total		**750,556,164**		**1,193,790,887**

	As at 31.03.2015		As at 31.03.2014	
NOTE - 26	**Number**	**₹**	**Number**	**₹**
FOLLOWING ARE THE DETAILS OF SECURITIES PLEDGED WITH THE NBFC AS ON 31 MARCH 2015				
9.13% Krishna Bhagya Jala Nigam Ltd 2024	375	375,000,000	-	-
9.15% Punjab National Bank	758	760,945,200	-	-
Total		**1,135,945,200**	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE - 27

DETAILS OF SALES OF SERVICES

	Current Year ₹	Previous Year ₹
Merchant banking fees	717,250,017	869,099,640
Brokerage received	4,450,525	2,785,467
Total	**721,700,542**	**871,885,107**

NOTE - 28

EXPENDITURE IN FOREIGN CURRENCY

Travelling expenses	649,398	1,323,577
Total	**649,398**	**1,323,577**

NOTE - 29

Consequent to the adoption of Accounting Standard 15 (AS 15 Revised 2005) on employee benefits, the following disclosures have been made as required by the standards :

I Retirement benefits in the form of Provident fund are defined contribution scheme and the contributions are charged to the statement of profit and loss of the current year when the contribution to the respective fund is due. There are no other obligations other than the contribution payable to the respective fund.

ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

	Current Year ₹	Previous Year ₹
Change in present value of obligation		
Present value of obligation as at 1 April	9,618,467	9,930,609
Interest cost	769,477	794,449
Service cost	1,682,646	1,502,596
Benefits paid	-	(1,018,273)
Actuarial (gain)/loss on obligation	740,797	(1,590,914)
Present value of obligation as at year end	12,811,387	9,618,467
Amount recognised in the balance sheet		
Present value of obligation, as at year end	12,811,387	9,618,467
Fair value of plan assets as at year end	-	-
Assets recognised in the balance sheet	-	-
Liabilities recognised in the balance sheet	12,811,387	9,618,467
Net gratuity cost		
Current service cost	1,682,646	1,502,596
Interest cost	769,477	794,449
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognised	740,797	(1,590,914)
Net gratuity cost (Included in salaries and wages)	3,192,920	706,131
Assumptions used in accounting for the gratuity plan		
Mortality	LIC (2006-08)	LIC (2006-08)
Discount rate	8%	9%
Salary escalation rate	5%	5%
Expected rate of return on plan assets	-	-

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTE - 30

SEGMENT REPORTING

The Company operates in a single business and geographical segment i.e. "Providing Merchant Banking Services" within India. Accordingly, no separate disclosures for primary business and secondary geographical segment are required.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE - 31
RELATED PARTY DISCLOSURES

I Related party relationships:

Subsidiaries

A. K. Stockmart Private Limited (wholly owned)
A. K. Capital Corporation Private Limited (wholly owned)
A. K. Wealth Management Private Limited (wholly owned)
A. K. Capital (Singapore) PTE Ltd (Wholly owned)
A. K. Capital Finance Private Limited

Key managerial personnel

Mr. A. K. Mittal
Mr. Deepak Mittal

Relative of key management personnel

Mrs. Anshu
Mr. Abhinav Kumar Mittal

Enterprise in which relative of key management personnel is having significant influence

M Square Automobile Private Limited

Notes:

a The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS) - 18 'Related Party Disclosures' and the same have been relied upon by the auditors.

b The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exist, in which case the relationships have been mentioned irrespective of transactions with the relatives.

II Transactions with related parties:

Details of related party transactions are as follows:

	Current Year ₹	Previous Year ₹
Transactions with related parties:		
Investments in share capital		
A. K. Capital Singapore (PTE) Limited	-	19,785,000
Directors remuneration (including perquisites)		
A. K. Mittal	17,856,000	2,00,52,774
Deepak Mittal	10,039,505	1,04,75,360
Brokerage expense		
A. K. Stockmart Private Limited	81,047	3,820
Demat charges		
A. K. Stockmart Private Limited	1,800	574
Repairs and Maintenance charges paid for car		
M Square Automobile Private Limited	410,277	5,21,412
Rent expense		
A. K. Mittal	6,408,000	64,08,000
Anshu	3,528,000	35,28,000
Abhinav Kumar Mittal	5,169,600	51,69,600
Director's sitting fees		
Anshu	20,000	70,000
Rent deposit given outstanding as at year end		
A. K. Mittal	16,250,000	1,62,50,000
Anshu	7,450,000	74,50,000
Abhinav Kumar Mittal	11,962,000	1,19,62,000
Balance receivables		
A. K. Stockmart Private Limited	3,592	-
Corporate guarantee given to a bank in respect of working capital demand loan taken by a subsidiary company		
A. K. Capital Finance Private Limited	2,750,000,000	3,500,000,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE - 32

LEASES

i Where the company is lessee:

The Company has taken various office premises under operating lease that are renewable on a periodic basis at the option of both the lessor and lessee.

The future minimum lease payments as per the lease agreements are as follows:

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Not later than one year	13,744,800	2,007,060
Later than one year and not later than five years	-	-

Notes:
The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the year is ₹ 15,751,860 (P.Y. ₹ 21,752,240).
Above disclosure is for leases entered after 1 April 2001, as per Accounting Standard (AS) - 19 'Leases' as notified by Central Government of India.

ii Where the company is lessor:

The future minimum lease payments receivable as per the lease agreements are as follows:

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Not later than one year	-	-

The amount of minimum lease income with respect to the above lease recognised in the statement of profit and loss for the year is ₹ Nil (previous year ₹ 19,737,726).

NOTE - 33

EARNINGS PER SHARE

	Current Year ₹	Previous Year ₹
Net profit after tax as per statement of profit and loss (₹)	183,055,019	202,905,921
Weighted average number of equity shares outstanding during the year for basic earnings per share (No.)	6,600,000	6,600,000
Basic and diluted earning for the year (₹)	27.74	30.74
Nominal value of share (₹)	10.00	10.00

NOTE - 34

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, promoting gender equality, empowering women, setting up homes and ensuring environmental sustainability. The amount has been expended on the activities which are specified in Schedule VII of the Companies Act, 2013.

Particular			**Amount ₹**
Gross amount required to be spent by the company during the year			83,60,234
Amount spent during the year	**In Cash ₹**	**Yet to be Paid in Cash ₹**	**Total ₹**
(I) Construction/acquisition of any asset	-	-	-
(ii) Donation for promoting education	7,950,000	-	7,950,000
(iii) Donation for promoting preventive health care and sanitation	48,864	-	48,864
(iii) Donation for empowering woman and setting up homes	15,000	-	15,000
Short fall in CSR Expenditure			**346,370**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE - 35

The Company has not received any intimation from its suppliers regarding their registration under the 'Micro, Small and Medium Enterprises Development Act, 2006'. Hence, no disclosure has been made.

NOTE - 36

There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Accounting Standard (AS) – 28 'Impairment of Assets'.

NOTE - 37

In the opinion of management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably stated.

NOTE - 38

Previous year figures have been regrouped or rearranged, wherever considered necessary, to conform with the current year's presentation.

Signature to 1 to 38

The notes referred above form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : May 24, 2015

On behalf of the Board of Directors

A. K. Mittal	Deepak Mittal	Vikas Agarwal	Kanchan Singh
Managing Director	Director	Chief Finance Officer	Company Secretary
(DIN: 00698377)	(DIN: 00043685)		(ACS: A24596)

Place: Mumbai
Date: May 24, 2015

INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors of
A. K. CAPITAL SERVICES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of A. K. Capital Services Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") which comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

a) We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 282,685,642 as at March 31, 2015, total revenues of ₹ 528,801,920 and net cash outflows amounting to ₹ 40, 657,427 for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b) Our opinion on the consolidated financial statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company and subsidiary companies, incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

i. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. Further, there is no amounts required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
ICAI Reg. No. 121750W/W-100010

(Ramesh Gupta)
PARTNER
Membership No.: 102306
Place: Mumbai
Date : May 24, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 of our report of even date)

Our reporting on the Order includes four subsidiary companies incorporated in India, to which the Order is applicable. Out of which, three subsidiary companies have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

(i) In respect of the fixed assets of the Holding Company and its subsidiary companies incorporated in India:

(a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a phased programme of verification, which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the respective entities, nature and value of its assets. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.

(ii) In respect of the inventories of the Holding Company and its subsidiary companies incorporated in India:

(a) As explained to us and the other auditors, the inventories of shares and securities have been held in the dematerialized form. The shares and securities held in the dematerialized form have been verified by the Management with the demat account statements at reasonable intervals, during the year.

(b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the stock of shares and securities is held in dematerialized form, thus, physical verification is not applicable. The procedures followed by the management are reasonable and adequate in relation to the size of the respective entities and the nature of its business.

(c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories of shares and securities and no material discrepancies were noticed on physical verification.

(iii) The Holding Company and its subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii) (a) and (b) of the Order are not applicable to the respective entities.

(iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company and its subsidiary companies incorporated in India, commensurate with the size of the respective entities and the nature of their business, for the purchase of services and fixed assets and for the sale of services. Further, during the course of our and the other auditors audit, we and the other auditors have not observed any continuing failure to correct major weaknesses in such internal control system.

(v) According to the information and explanations given to us and the other auditors, the Holding Company and its subsidiary companies incorporated in India have not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the respective entities.

(vi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148(1) of the Act are not applicable to the Holding Company and its subsidiary companies incorporated in India for the year under audit.

(vii) According to the information and explanations given to us and the other auditors and the books of account examined by us and the other auditors, in respect of statutory dues of the Holding Company and its subsidiary companies incorporated in India:

a) The respective entities has been generally regular in depositing undisputed statutory dues including provident fund, income tax, wealth tax, service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the March 31, 2015 for a period of more than six months from the date they became payable. As informed, statutory dues in the nature of employee state insurance, sales tax, duty of customs, duty of excise and value added tax are not applicable to the respective entities.

There are no dues on account of sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute by the aforesaid entities except the following dues of income tax :

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	1,242,940	April 2011 to March 2012	Deputy Commissioner of Income Tax

(c) The amounts required to be transferred by the aforesaid entities to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder, have been transferred to such fund within time by the aforesaid entities.

(viii) The Group does not has consolidated accumulated losses as at March 31, 2015 and the Group has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company and its subsidiary companies incorporated in India have not defaulted in repayment of dues to banks or financial institutions. The respective entities have not issued any debentures.

(x) According to the information and explanations given to us and the other auditors, the Holding Company has given guarantee for working capital facility and term loan facility taken by its subsidiary company from bank. However, in our opinion, the terms and conditions of the said loan are prima facia not prejudicial to the interest of the Group.

(xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company and its subsidiary companies incorporated in India during the year for the purposes for which they were obtained.

(xii) To the best of our knowledge and belief and according to the information and explanations given to us and the other auditors, and considering the size and nature of the consolidated operations of the Holding Company and its subsidiary companies, no fraud of material significance on the Holding Company and its subsidiary companies incorporated in India or no fraud by the Holding Company and its subsidiary companies incorporated in India have been noticed or reported during the year. We have also not been informed of such case by management.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
ICAI Reg. No. 121750W/W-100010

(Ramesh Gupta)
PARTNER
Membership No.: 102306

Place :Mumbai
Date : May 24, 2015

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Note No.	As at 31.03.2015 ₹	As at 31.03.2014 ₹
I EQUITY AND LIABILITES			
1 Shareholders' funds			
(a) Share capital	2	66,000,000	66,000,000
(b) Reserves and surplus	3	3,771,462,381	3,413,957,717
		3,837,462,381	**3,479,957,717**
Minority interest		**44,849,119**	**41,709,475**
2 Non-current liabilities			
(a) Long-term borrowings	4	532,879,914	388,887,538
(b) Deferred tax liabilities (net)	5	44,997,640	44,601,487
(c) Long-term provisions	6	18,906,131	13,416,138
		596,783,685	**446,905,163**
3 Current liabilities			
(a) Short-term borrowings	7	7,322,918,670	5,577,560,271
(b) Trade payables	8	38,485,712	218,598,543
(c) Other current liabilities	9	457,472,865	102,999,041
(d) Short-term provisions	10	54,548,515	49,972,010
		7,873,425,762	**5,949,129,865**
TOTAL		**12,352,520,947**	**9,917,702,220**
II ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		465,200,298	498,697,295
(ii) Intangible assets		2,171,090	4,091,790
(b) Goodwill on consolidation		19,230,053	19,230,053
(c) Non-current investments	12	1,814,666,460	2,716,618,135
(d) Long-term loans and advances	13	345,088,565	180,094,144
(e) Other non-current assets	14	28,400,000	37,300,000
		2,674,756,466	**3,456,031,417**
2 Current Assets			
(a) Current investments	15	5,807,118,358	1,193,799,897
(b) Inventories	16	2,570,666,060	4,262,624,083
(c) Trade receivables	17	209,689,251	379,236,914
(d) Cash and bank balances	18	74,944,523	188,381,683
(e) Short-term loans and advances	19	483,841,016	340,328,371
(f) Other current assets	20	531,505,273	97,299,855
		9,677,764,481	**6,461,670,803**
TOTAL		**12,352,520,947**	**9,917,702,220**
Significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

On behalf of the Board of Directors

Ramesh Gupta
Partner
Membership No. 102306

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Vikas Agarwal
Chief Finance Officer

Kanchan Singh
Company Secretary
(ACS: A24596)

Place : Mumbai
Date : May 24, 2015

Place: Mumbai
Date: May 24, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

		Note No.	Current Year ₹	Previous Year ₹
I	Revenue from operations	21	2,511,219,069	2,418,653,216
II	Other Income	22	35,474,667	31,170,817
III	**Total revenue (I+II)**		**2,546,693,736**	**2,449,824,033**
IV	**EXPENSES**			
	Employee benefits expense	23	375,238,554	346,259,221
	Finance cost	24	768,406,266	560,150,554
	Depreciation / amortisation expenses	11	27,684,049	20,661,546
	Other expenses	25	782,801,832	991,289,344
	Contingent provision against standard asset		1,593,176	650,022
	Total expenses		**1,955,723,877**	**1,919,010,687**
V	**Profit before tax (III-IV)**		**590,969,859**	**530,813,346**
VI	**Tax expenses**			
	- current tax		177,135,336	170,402,519
	- deferred tax		3,258,942	6,346,149
	- prior period tax adjustment		(3,993,879)	187,572
			176,400,399	176,936,240
VII	**Profit after tax and before minority interest (V-VI)**		**414,569,460**	**353,877,106**
	Share of minority interest		(3,139,644)	(1,953,216)
VIII	**Profit after tax and minority interest**		**411,429,816**	**351,923,890**
IX	**Profit for the year**		**411,429,816**	**351,923,890**
X	**Earnings per share (₹):**			
	Basic earnings per share		62.34	53.32
	Diluted earnings per share		62.34	53.32
	Nominal value of equity shares		10	10
	Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

On behalf of the Board of Directors

Ramesh Gupta
Partner
Membership No. 102306

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Vikas Agarwal
Chief Finance Officer

Kanchan Singh
Company Secretary
(ACS: A24596)

Place : Mumbai
Date : May 24, 2015

Place: Mumbai
Date: May 24, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2015

	Current Year ₹	Previous Year ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	590,969,859	530,813,346
Adjustments for		
Depreciation / amortisation	27,684,049	20,661,546
Loss/(profit) on sale of fixed assets (net)	2,398,172	2,600,101
Interest income on current investments	(812,347,525)	(674,849,203)
Interest income - others	(6,306,714)	(2,943,552)
Interest expenses	753,338,724	553,231,541
General provision for standard assets	1,593,176	650,022
Profit on sale of current investments (net)	(314,683,470)	(5,033,965)
Dividend income on current investments	(1,858,312)	(881,299)
Dividend income on non current investments	(9,213,225)	(11,775,628)
Bad debts written-off	4,869,155	525,000
Balances written back	(18,048)	(53,997)
Operating profit before working capital adjustments	**236,425,841**	**412,943,911**
Adjustments for		
(Increase)/decrease in trade and other receivables	(540,109,963)	(387,225,515)
(Purchase)/ sale of inventory	1,691,958,023	51,017,765
Increase/(decrease) in trade and other payables	(170,609,531)	175,725,452
Cash generated from operations	**1,217,664,370**	**252,461,613**
Direct taxes paid	(168,702,498)	(222,323,220)
Net cash generated from operating activities	**1,048,961,872**	**30,138,393**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(18,628,055)	(98,977,190)
Sale of fixed assets	5,657,840	4,602,000
(Purchase) / sale of investments (net)	(3,397,647,895)	(2,085,210,248)
Deposits with bank with more than 3 months maturity	30,715,449	(16,292,971)
Dividend income on current investments	1,858,312	881,299
Dividend income on non current investments	9,213,225	11,775,628
Interest income on current investments	777,016,308	685,506,420
Interest income - others	6,468,193	3,109,587
Net cash generated from/(used in) investing activities	**(2,585,346,623)**	**(1,494,605,475)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of borrowings (net)	2,231,939,499	1,75,64,75,647
Interest paid	(740,962,953)	(55,72,34,332)
Dividend paid	(39,600,000)	(3,96,00,000)
Dividend distribution tax paid	(6,730,020)	(67,30,020)
Net cash generated from/(used in) financing activities	**1,444,646,526**	**1,15,29,11,295**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(91,738,225)	(31,15,55,786)
Cash and cash equivalents at the beginning of the year	158,449,325	47,00,05,111
Cash and cash equivalents at the end of the year	**66,711,100**	**15,84,49,325**
Cash and cash equivalents at the end of the year comprise of:		
Cash on hand	3,223,682	19,42,415
Balances with banks in current accounts	63,487,418	15,65,06,910
	66,711,100	**158,449,325**

Notes:-

1 The above cash flow statement has been prepared under 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement' notified by Central Government of India.

2 Cash and Cash equivalents for the purpose of cash flow statement comprises cash on hand and cash at bank excluding fixed deposit with original maturity period of more than three months.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : May 24, 2015

On behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Vikas Agarwal
Chief Finance Officer

Kanchan Singh
Company Secretary
(ACS: A24596)

Place: Mumbai
Date: May 24, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1
SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation of consolidated financial statements:

The consolidated financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles ('GAAP') in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of the Accounting Standard (AS) 3 Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

The consolidated financial statements comply with the Accounting Standard (AS)-21 'Consolidated Financial Statements' notified under the Companies (Accounting Standards) Rules 2006. The consolidated financial statements are presented in Indian rupees.

2) Principles of consolidation:

a) The consolidated financial statements include the financial statements of A.K. Capital Services Limited, the parent company (hereinafter referred to as the 'Company') and its subsidiaries (collectively referred to as the 'Group').

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the parent company and the subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase in the relevant reserves of the subsidiaries.

ii) Transactions relating to statement of profit and loss of the acquired subsidiaries have been included in the consolidated statement of profit and loss from the effective date of acquisition.

b) The excess of the cost of acquisition of investments in the subsidiaries over the acquired portion of equity in the subsidiaries is recognised in the financial statements as 'goodwill'. The excess of acquired portion of equity in subsidiaries over the cost of acquisition of investments in the subsidiaries is recognised in the financial statements as 'capital reserve'.

c) Minority interest in the net assets of consolidated subsidiaries consists of:

- the amount of equity attributable to minorities at the date on which investment in subsidiary is made; and
- the minorities' share of movements in equity since the date the parent and subsidiary relationship came into existence.

d) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

e) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.

3) Fixed assets:

Tangible assets:

Tangible assets are stated at cost less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Intangible assets:

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The capitalised cost includes license fees and cost of implementation / system integration services.

4) Depreciation and amortisation:

Tangible assets:

Depreciation on tangible assets has been provided on straight-line method (except in the case of A. K. Stockmart Private Limited and A. K. Wealth Management Private Limited) on pro-rata basis in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956 up to 31 March, 2014. From 1 April, 2014, the Group has provided depreciation on the basis of useful life of fixed assets specified by Schedule II to the Companies Act, 2013.

In case of a foreign subsidiary i.e. A. K. Capital (Singapore) Pte. Ltd. depreciation on tangible assets has been provided on a straight-line method based on their estimated useful lives, after taking into account their estimated residual values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

In case of A. K. Stockmart Private Limited and A. K. Wealth Management Private Limited, depreciation on tangible assets hasbeen provided on Written Down method on pro-rata basis in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956 up to 31 March, 2014. From 1 April, 2014, the Company has provided depreciation on the basis of useful life of fixed assets specified by Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the lease period.

Intangible assets

Software is amortised on a straight line basis over its estimated useful life of 3 to 5 years.

5) Investments:

i) Non-current investments are valued at cost. Provision is made for diminution in the values where the decline is other than temporary.

ii) Current investments are valued at lower of cost or market value determined on an individual investment basis.

6) Inventory:

Inventory is valued at lower of cost or net realisable value. Bonds are valued at cost as their market value is not available. The cost of inventory is inclusive of transaction charges, brokerage and service tax etc.

7) Revenue recognition:

I Revenue from service charges, fees and commission is recognised when the contract has been completed.

ii. Brokerage income is recognised based on contracts notes.

iii. Trading income is recognised on the date of sale of securities.

iv. Investment income is recognised on the date of sale of shares and securities.

v. Advisory fees is recognised upon the completion of the service rendered.

vi. Interest income is recognised on accrual basis.

vii. Rent income is recognised on accrual basis.

viii. Dividend income from investments is recognised when the shareholders' rights to receive have been established.

8) Transaction in foreign currencies:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

The translation of functional currency of overseas subsidiary into Indian Rupees is performed for assets and liabilities (excluding share capital and opening reserves & surplus) using the exchange rate as at the balance sheet date and for revenues, costs and expenses (except depreciation) using average of exchange rates during the reporting year. Share capital, opening reserves and surplus are carried at historical cost. Depreciation is translated at the rates used for the translation of the values of the assets on which depreciation is calculated. Resultant currency translation exchange gain / loss is disclosed as "Translation Reserve" in reserves and surplus. Contingent liabilities are translated at the closing rate.

9) Retirement benefits:

i. Defined contribution plans

The Company contributes to Employee's Provident Fund (a defined contribution plan) towards post employment benefits, which is administered by the respective Government authorities and the Company has no further obligation beyond making its contribution.

ii. Defined benefit plans

The Company has a defined benefit plan namely gratuity for all its employees. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

iii. Employee leave entitlement

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided as at the year end and charged to the statement of profit and loss.

10) Accounting for taxes on income:

i) Provision for income tax is made on the basis of the estimated taxable income for the accounting year in accordance with the Income-tax Act, 1961.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a virtual certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

11) Lease:

i) As a Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on straight-line basis over the lease term.

ii) As a Lessor:

Assets subject to operating lease are included in fixed assets. Lease income is recognised in the statement of profit and losson a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

12) Borrowing costs:

Borrowing costs attributable to the acquisition and construction of qualifying assets upto the date of such acquisition or construction are capitalised as part of the cost of respective assets. Other borrowing costs are charged to statement of profit and loss in the period in which they are incurred.

13) Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

14) Provisions and contingent liabilities:

The Company creates a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

In case of a subsidiary company, i.e. A. K. Capital Finance Private Limited, the General Provision @ 0.25% on Standard Assets is made as per RBI notification.

15) Earnings per share:

The basic earnings per share ("EPS") is computed by dividing the net profit/ (loss) after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year available for equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 2		
SHARE CAPITAL		
Authorised		
33,000,000 (previous year 33,000,000) Equity shares of ₹10 each	330,000,000	330,000,000
200,000 (previous year 200,000) Redeemable cumulative preference shares of ₹100 each	20,000,000	20,000,000
	350,000,000	**350,000,000**
Issued, subscribed and paid up		
6,600,000 (previous year 6,600,000) Equity shares of ₹ 10 each fully paid up	66,000,000	66,000,000
	66,000,000	**66,000,000**

a. Reconciliation of the shares outstanding at the beginning and at the year end

Equity shares	As at 31.03.2015		As at 31.03.2014	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Shares outstanding at the beginning of the year	6,600,000	66,000,000	6,600,000	66,000,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**6,600,000**	**66,000,000**	**6,600,000**	**66,000,000**

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of shares held	% of holding	No. of shares held	% of holding
A. K. Capital Markets Limited	979,043	14.83%	957,000	14.50%
A. K. Services Private Limited	966,769	14.65%	860,300	13.04%
Second Leasing Private Limited	737,370	11.17%	737,370	11.17%
A. K. Mittal	558,665	8.46%	506,818	7.68%
A. M. Credit Analysis and Research Limited	371,000	5.62%	371,000	5.62%

* Includes 2,000 shares of the Company bought on 31 March, 2015 which shall be reflected on T+2 basis in Demat statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 3		
RESERVES AND SURPLUS		
Special reserve*		
Opening balance	71,689,870	45,387,700
Add: Additions / Adjustments during the year	41,866,750	26,302,170
Closing balance	113,556,620	71,689,870
Capital reserve		
Opening balance	67,500,000	67,500,000
Add: Additions during the year	-	-
Closing balance	67,500,000	67,500,000
Securities premium account		
Opening balance	364,570,665	364,570,665
Add: Additions / Adjustments during the year	-	-
Closing balance	364,570,665	364,570,665
General reserve		
Opening balance	458,088,960	437,088,960
Add: Additions during the year	19,000,000	21,000,000
Closing balance	477,088,960	458,088,960
Translation Reserve	(1,795,285)	(830,706)
SurplusOpening balance	2,452,938,928	2,194,647,228
Less : Adjustment (net of deferred tax assets of ₹ 2,862,789) in accordance with the transitional provisions of the Schedule II of the Act	5,442,902	-
Add: Profit for the year	411,429,816	351,923,890
Amount available for appropriation	2,858,925,842	2,546,571,118
Appropriations		
Proposed dividends	39,600,000	39,600,000
Dividend distribution tax	7,917,671	6,730,020
Transfer to special reserves*	41,866,750	26,302,170
Transfer to general reserves	19,000,000	21,000,000
Closing balance	2,750,541,421	2,452,938,928
	3,771,462,381	**3,413,957,717**

*Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-banking Finance Company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purpose specified by the RBI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 4		
LONG TERM BORROWINGS		
Secured		
Term loans		
From banks*	460,500,000	36,000,000
From non-banking financial company (NBFC)**	71,716,012	345,903,560
Vehicle loans		
From banks***	663,902	4,708,522
From non-banking financial company (NBFC)****	-	2,275,456
	532,879,914	**388,887,538**

* Loan against receivables from bank is repayable in 8 to 12 quarterly installments along with interest from the date of loan. The loans are secured by Pari- passu first charge by way of hypothecation/assignment of assets financed including current and future receivables of the Company.

** (a) Term loan from NBFC is secured against mortgage of the Company's immovable property together with all structures and appurtenances thereon held by the Company situated at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021. As at 31 March 2015, the loan amount is repayable in lump sum at the end of the term of loan of 6 months, with a put and call option on 1st May 2015 and 1st day of every month thereafter. As at 31 March, 2014, the loan amount is repayable in lump sum at the end of the term of loan of 18 months, with a put and call option on 1st May 2015 and 1st day of every month.

** (b) Housing loan from NBFC is repayable in 180 equated monthly installments along with interest from the date of loan. The loans are secured by mortgage of premises at Delhi, purchased there against.

*** Vehicle loans from banks are repayable in 36 equated monthly installments along with interest from the date of loan. The loans are secured by hypothecation of motor vehicle purchased there against.

**** Vehicle loan from NBFC is repayable in 36 equated monthly installments along with interest from the date of loan. The loan is secured by hypothecation of motor vehicle purchased there against.

NOTE - 5		
DEFERRED TAX (ASSEST)/ LIABILITIES (NET)		
Deferred tax liabilities:		
Timing difference arising on account of:		
Depreciation	51,842,906	49,785,430
	51,842,906	49,785,430
Less; Deferred tax assets:		
Timing difference arising on account of:		
Expenses allowable on payment basis (gratuity)	6,540,395	4,671,411
Depreciation	3,089	1,594
Expenses disallowed under section 35D	301,782	510,938
	6,845,266	5,183,943
	44,997,640	**44,601,487**

Deferred tax liabilities of A. K. Capital (Singapore) Pte. Ltd. amounting to ₹ 99,952 (SGD 2,200) (previous year ₹ 61,780 (SGD 1,300)) arising from differences in depreciation is not recognised as the amount is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE - 6
LONG TERM PROVISIONS

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
For employee benefits		
Gratuity (unfunded)	18,168,631	13,086,138
Others		
Provision against standard assets	737,500	330,000
	18,906,131	**13,416,138**

NOTE - 7
SHORT TERM BORROWINGS

Secured		
Loans repayable on demand		
Working capital demand loan from banks*	2,863,143,793	3,957,560,271
Working capital demand loan from Clearing Corporation of India Limited**	3,475,000,000	1,620,000,000
Working capital loan from NBFC***	984,774,877	-
	7,322,918,670	**5,577,560,271**

* (a) Working capital demand loan is secured against pledge/ lien on government securities and other debt securities, corporate guarantee of the holding company, A. K. Capital Services Limited and demand promissory note. The above loan is repayable on demand.

* (b) Loan is further secured by Pari- passu first charge by way of hypothecation/ assignment of assets financed including current and future receivables of the Company

* (c) Bank overdraft facilities are secured against pledge of debt securities / Central & State Government securities and personal guarantee of two directors of the Company. The loan is repayable on demand.

** Loan from Clearing Corporation of India Limited is secured against lien on government securities and Cash Deposit.

*** Line of credit from NBFC is secured by pledge of securities as per the approved list of the lender. The loan is repayable on demand.

NOTE - 8
TRADE PAYABLES

Total outstanding dues of micro, small and medium enterprises	-	-
Total outstanding dues of creditors for expense other than micro, small and medium enterprises	38,485,712	218,598,543
	38,485,712	**218,598,543**

The Company has not received any intimation from its suppliers regarding their registration under the 'Micro, Small and Medium Enterprises Development Act, 2006'. Hence, no disclosure has been made.

NOTE - 9
OTHER CURRENT LIABILITIES

Current maturities of long-term debt - from banks (Refer note no. 4)	95,007,205	32,494,734
Current maturities of long-term debt - from NBFC (Refer note no. 4)	283,970,137	3,893,884
Interest accrued and due on borrowings	10,741,518	2,302,520
Interest accrued but not due on borrowings	1,164,563	1,078,535
Creditors for capital goods	331,084	362,502
Unpaid dividends*	1,050,048	933,508
Statutory dues	15,493,952	12,972,160
Deposits	27,918,000	27,918,000
Employees dues	21,156,746	19,842,185
Payable to exchange / clearing house (net)	68,942	248,258
Other payables	570,670	952,755
	457,472,865	**102,999,041**

* During the year, ₹ 81,825 (Previous year ₹ 117,800) has been credited into Investor Education and Protection Fund under Section 124(5) of the Companies Act, 2013. Further, there are no dues as at 31 March 2015 which needs to be credited into Investor Education and Protection Fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 10		
SHORT TERM PROVISIONS		
Provision for employee benefits		
Gratuity (unfunded)	889,684	785,520
Leave encashment	3,000,167	2,061,646
	3,889,851	2,847,166
Others		
Provision for taxation (Net of Advance Tax ₹ 525,268,442 previous year ₹ Nil)	1,217,520	57,027
Provision for proposed dividend	39,600,000	39,600,000
Provision for dividend distribution tax	7,917,671	6,730,020
Provision against standard assets	1,923,473	737,797
	50,658,664	47,124,844
	54,548,515	**49,972,010**

NOTE - 11
FIXED ASSETS

(Amount in ₹)

Particulars	Tangible assets									Intangible assests	
	Plant & Machinery	Computers	Furniture & fixtures	Office Equipment	Office premises*	Office premises under lease	Lease hold Improvements	Vehicles**	Total	Software	Total
Gross block (at cost)											
As at 1 April 2013	369,060	19,295,172	20,532,953	1,41,96,304	28,297,389	343,500,152	14,971,303	69,798,650	**510,960,983**	11,318,944	**11,318,944**
Additions	-	748,118	1,879,142	8,83,395	77,040,100	-	9,075,000	7,302,765	**96,928,520**	2,048,670	**2,048,670**
Deductions/adjustments	-	-	-	-	-	-	-	10,412,661	**10,412,661**	-	**-**
As at 31 March 2014	**369,060**	**20,043,290**	**22,412,095**	**1,50,79,699**	**105,337,489**	**343,500,152**	**24,046,303**	**66,688,754**	**597,476,842**	**13,367,614**	**13,367,614**
As at 1 April 2014	369,060	20,043,290	22,412,095	1,50,79,699	105,337,489	343,500,152	24,046,303	66,688,754	**597,476,842**	13,367,614	**13,367,614**
Additions	-	3,027,273	2,274,911	14,83,645	-	-	-	1,451,172	**8,237,001**	391,054	**391,054**
Deductions/adjustments	-	46,343	60,949	-	-	-	-	15,666,009	**15,773,301**	-	**-**
As at 31 March 2015	**369,060**	**23,024,220**	**24,626,057**	**1,65,63,344**	**105,337,489**	**343,500,152**	**2,40,46,303**	**52,473,917**	**589,940,542**	**13,758,668**	**13,758,668**
Depreciation/amortisation											
As at 1 April 2013	**314,063**	**14,805,283**	**6,885,815**	**42,64,556**	**3,032,633**	**26,706,711**	**1,49,71,303**	**12,298,697**	**83,279,061**	7,325,324	**7,325,324**
For the year	14,691	1,564,815	1,447,788	8,56,282	475,010	5,599,052	22,68,750	6,484,658	**18,711,046**	1,950,500	**1,950,500**
Deductions/adjustments	-	-	-	-	-	-	-	3,210,560	**32,10,560**	-	**-**
As at 31 March 2014	**328,754**	**16,370,098**	**8,333,603**	**51,20,838**	**3,507,643**	**32,305,763**	**1,72,40,053**	**15,572,795**	**98,779,547**	**9,275,824**	**9,275,824**
As at 1 April 2014	**328,754**	**16,370,098**	**8,333,603**	**51,20,838**	**3,507,643**	**32,305,763**	**1,72,40,053**	**15,572,795**	**98,779,547**	9,275,824	**9,275,824**
For the year	5,760	1,644,864	4,237,274	15,32,794	1,748,078	5,738,403	29,12,405	7,556,967	**25,376,545**	2,311,754	**2,311,754**
Transitional Reserve	-	1,940,953	-	63,60,488	-	-	-	-	**8,301,441**	-	**-**
Deductions/adjustments	-	36,219	4,609	-	-	-	-	7,676,461	**7,717,289**	-	**-**
As at 31 March 2015	**334,514**	**19,919,696**	**12,575,486**	**1,30,14,120**	**5,255,721**	**38,044,166**	**2,01,52,458**	**15,453,301**	**124,740,244**	**11,587,578**	**11,587,578**
Net block											
At 31 March 2014	**40,306**	**3,673,192**	**14,078,492**	**99,58,861**	**101,829,846**	**311,194,389**	**68,06,250**	**51,115,959**	**498,697,295**	**4,091,790**	**4,091,790**
At 31 March 2015	**34,546**	**3,104,524**	**12,050,571**	**35,49,224**	**100,081,768**	**305,455,986**	**38,93,845**	**37,020,616**	**465,200,298**	**2,171,090**	**2,171,090**

* Office premises include building hypothecated against loan taken having gross block of ₹ 77,040,100 (as at 31.3.2014 ₹ 77,040,100), accumulated deprecation of ₹ 1,297,710 (as at 31.3.2014 ₹ 13,762) net block of ₹ 75,742,390 (as at 31.3.2014 ₹ 77,026,338)

** Vehicles include vehicles hypothecated against loan taken having gross block of ₹ 34,183,545 (as at 31.3.2014 ₹ 45,586,549), accumulated depreciation of ₹ 8,445,006(as at 31.3.2014 ₹ 6,544,316) and net block of ₹ 25,738,539 (as at 31.3.2014 ₹ 39,042,233).

The Company has charged depreciation based on revised remaining useful life of the assets as per the requirement of Schedule II of Companies Act 2013 effective from 1 April 2014. Due to above, depreciation charged for the year ended is higher by ₹ 5,869,522. Further, based on transitional provision in Note 7(b) to Schedule II, an amount of ₹ .5,442,902 (net of deferred tax ₹ 2,862,789) has been adjusted to opening balance of the retained earnings

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Face Value	As at 31.03.2015		As at 31.03.2014	
	₹	Number	₹	Number	₹
NOTE - 12					
NON CURRENT INVESTMENTS					
Trade , unquoted - others - Fully paid up					
Equity shares of Intelligroup Advisors Private Limited	10	4,600	46,000	4,600	46,000
Equity shares of A.K. Capital Retail Private Limited	10	1,000	10,000	1,000	10,000
Equity shares of A.K. Commodities Private Limited	10	3,000	30,000	3,000	30,000
Equity shares of Sunrise Corporate Services Limited	10	100,000	1,000,000	100,000	1,000,000
Equity shares of India Bond Private Limited	10	800	8,000	800	8,000
Equity shares of Nessa Leisure Limited	10	665,000	132,000,000	665,000	132,000,000
Total			**133,094,000**		**133,094,000**
Non- trade, quoted - others - Fully paid up					
Equity Shares of Bank of Maharashtra	10	319,247	15,549,846	-	-
Equity Shares of D S Kulkarni Developers Limited	10	28,468	2,107,483	53,444	3,952,502
Equity shares of EIH Limited	2	199,211	21,021,303	379,460	40,001,677
Equity shares of Electrosteel Casting Limited	1	603,298	26,497,669	603,298	26,471,198
Equity shares of GMR Infrastructure Ltd.	1	2,450,000	74,919,203	-	-
Equity shares of Godrej Industries Limited	1	-	-	784	151,701
Equity shares of Indiabulls Real Estate Limited	2	42,000	5,265,248	42,000	5,258,900
Equity shares of Indiabulls Wholesale Services Limited	2	5,250	505,827	5,250	505,827
Equity shares of Rattanindia Infra Limited (formerly known as Indiabulls Infrastructure and Power Ltd)	2	123,900	583,532	123,900	583,533
Equity shares of Indian Overseas Bank	10	110,000	8,110,094	-	-
Equity shares of Jaiprakash Associates Limited	2	21,000	2,338,608	15,000	1,860,486
Equity shares of Peninsula Land Limited	2	33,116	1,885,373	33,116	1,882,469
Equity shares of Pipavav Defence and Offshore Engineering Limited	10	95,999	7,891,779	95,999	7,883,895
Equity shares of Punj Llyod Limited	2	599,182	51,575,862	3,34,000	38,523,649
Equity shares of Ruchira Papers Limited	10	-	-	1,81,990	3,608,890
Equity shares of SREI Infrastructure Finance Limited	10	64,200	3,918,813	10,15,385	61,917,854
Equity shares of Sujana Metals Limited	5	340,066	3,305,442	3,40,066	3,302,140
Equity shares of Sujana Towers Limited**	10	5,000	2,041,995	5,000	2,039,955
Equity shares of UCO Bank Limited	10	2,653,683	281,180,269	27,65,683	289,205,584
Equity shares of Uflex Industries Limited	10	6,050	1,548,228	6,050	1,539,384
Equity shares of Vijaya Bank	10	246,887	13,086,755	-	-
Equity shares of Welspun Corp Limited***	5	65,779	6,796,439	65,779	6,780,086
Equity shares of Welspun Enterprises Limited***	10	3,288	9,572,633	3,288	9,572,633
Equity shares of LT Foods Limited	10	-	-	83,740	4,741,564
Equity shares of Liberty Shoes Limited	10	-	-	65,010	6,997,519
Total			**539,702,401**		**516,781,446**
Non-trade, unquoted - others					
Units of Urban Infrastructure Venture Capital Limited*	100,000	70	8,901,200	70	8,942,500
Total			**8,901,200**		**8,942,500**
Quoted- Government Securities - Fully paid up					
7.16% Government of India Loan 2023	100	-	-	1,20,00,000	1,094,913,750
8.15% Government of India Loan 2022	100	-	-	5,00,000	51,596,250
8.20% Government of India Loan 2025	100	-	-	20,00,000	209,600,000
8.28% Government of India Loan 2032	100	1,990,000	204,162,259	19,90,000	204,162,259
8.30% Government of India Loan 2042	100	4,500,000	434,153,000	20,00,000	191,603,000
8.32% Government of India Loan 2032	100	4,000,000	389,520,000	5,00,000	47,537,500
8.79% Government of India Loan 2021	100	1,000,000	105,133,600	10,00,000	105,133,600
8.83% Government of India Loan 2041	100	-	-	10,00,000	102,843,830
8.83% Government of India Loan 2023	100	-	-	5,00,000	50,410,000
Total			**1,132,968,859**		**2,057,800,189**
			1,814,666,460		**2,716,618,135**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Face Value ₹	As at 31.03.2015 Number	As at 31.03.2015 ₹	As at 31.03.2014 Number	As at 31.03.2014 ₹
NOTE - 12 (cont.)					
Aggregate amount of quoted investments					
Equities			539,702,401		516,781,446
Governments Securities			1,132,968,859		2,057,800,189
Aggregate market value of quoted investments					
Equities			310,115,868		313,369,812
Governments Securities****			1,132,968,859		2,057,800,189
Aggregate amount of unquoted investments			141,995,200		142,036,500
Equities					

*During the year, cost of investment in Urban Infrastructure Venture Capital Limited has been reduced by ₹ 41,300 on account of distribution received from Urban Infrastructure Opportunity fund by way of return of capital vide letter dated 26 July 2014 and 03 December 2014.

** During the previous year, shares of Sujana Towers Ltd. have consolidated from 50,000 shares to 5,000 shares by changing face value from Re. 1 per share to ₹ 10 per shares

*** During the previous year , In the scheme of arrangement, Welspun Enterprises Ltd. have issued 1 equity shares of face value of ₹ 10 each for every 20 equity shares in Welspun Corp Ltd.

****Government Securities are valued at cost as the market value is not available.

Note:- Bonds / shares / Government securities pledge with banks/ clearing corporation of India Ltd / Non- banking financial Companies is ₹ 1,132,968,859 (previous year ₹ 2,057,800,189)

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 13		
LONG-TERM LOANS AND ADVANCES		
Secured, considered good		
Loans and advances to others	295,000,000	92,000,000
Unsecured, considered good		
Other loans and advances	-	40,000,000
Capital Advance	10,000,000	-
Advance income tax (Net of Provision ₹ Nil previous year ₹ 1,106,545,066)	-	7,129,211
Advances to employees	2,922,369	3,512,824
Security deposits	37,102,419	37,069,639
Prepaid expenses	63,777	382,470
	345,088,565	**180,094,144**
NOTE - 14		
OTHER NON-CURRENT ASSETS		
Other bank balances		
Bank deposits with more than 12 months maturity *	28,400,000	37,300,000
	28,400,000	**37,300,000**

* Pledged against margin money, guarantees or security deposit with stock exchanges and security against borrowings ₹ 28,400,000 ; previous year ₹ 37,300,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE - 15
CURRENT INVESTMENTS

	Face Value	As at 31.03.2015		As at 31.03.2014	
	₹	Number	₹	Number	₹
Non trade, Quoted (fully paid up) - Current					
Equity shares					
Shamken Spinners Ltd.	10	8,500	9,010	8,500	9,010
Bonds					
10.00% Shriram Transport Finance Company Ltd 2028	1,000,000	50	50,314,050	-	-
10.25% Amtek Auto Ltd 2015	1,000,000	200	200,000,000	-	-
10.25% Shriram Transport Finance Company Ltd 2015	1,000	5,308	5,237,987	-	-
10.50% Amtek Auto Ltd 2020	1,000,000	18	18,000,000	-	-
10.50% Indiabulls Housing Finance Ltd 2017	1,000,000	3	3,000,600	-	-
10.50% Shriram Transport Finance Company Ltd 2017	1,000	3,000	2,978,134	-	-
10.60% Dewan Housing Finance Corporation ltd. 2023	1,000,000	4	4,052,000	-	-
10.70% Dewan Housing Finance Corporation ltd. 2021	1,000,000	2	2,046,600	-	-
10.70% Dewan Housing Finance Corporation ltd. 2021	1,000,000	20	20,336,000	-	-
10.75% Dewan Housing Finance ltd 2023	1,000,000	6	6,002,400	-	-
11.15% Dewan Housing Finance Corporation ltd. 2018	1,000,000	4	4,000,800	-	-
11.25% SREI Infrastructure Finance Ltd. 2019	1,000	6,000	6,029,400	-	-
12.00% SREI Infrastructure Finance Ltd. 2019	1,000	900	901,170	-	-
7.98% Infrastructure Development Finance Co. Ltd 2023	1,000,000	1	1,033,300	-	-
8.40% GOI Loan 2024	100	25,000	2,612,500	-	-
8.54% National Hydroelectric Power Corporation 2028	1,000	4,190	4,708,722	-	-
8.60% LIC Housing Finance Ltd 2020	1,000,000	1	1,056,900	-	-
8.67% National Hydroelectric Power Corporation 2033	1,000	9,899	11,507,865	-	-
8.99% Industrial Development Bank of India 2027	1,000,000	4	4,084,000	-	-
9.13% Krishna Bhagya Jala Nigam Ltd 2024	1,000,000	700	700,000,000	-	-
9.15% Punjab National Bank	1,000,000	758	760,945,200	-	-
9.48% Bank of Baroda	1,000,000	39	39,319,800	-	-
9.85% Shriram Transport Finance Company Ltd 2017	1,000	18,100	18,214,030	-	-
9.85% Shriram Transport Finance Company Ltd 2021	1,000,000	15	15,006,000	-	-
9.60% Tourism Finance Corporation of India Ltd. 2028	1,000,000	8	8,056,344	-	-
9.65% Tourism Finance Corporation of India Ltd. 2033	1,000,000	2	2,037,948	-	-
7% IDBI Bank Ltd. - 2019	5,000	155	775,233	155	7,75,233
9.50% Tourism Finance Corporation of India Ltd. - 2023	1,000,000	1	1,032,265	45	4,54,25,250
10.00% Reliance Infrastructure Ltd. - 2020	1,000,000	-	-	1	10,00,600
11.25% Fullerton India Credit Company Ltd. - 2018	1,000,000	4	4,051,200	8	81,02,400
8.58% PNB Housing Finance Ltd. - 2023	1,000,000	-	-	358	35,84,87,404
10.50% Shriram Transport Finance Corporation Ltd. - 2021	1,000,000	-	-	200	20,00,00,000
10.60% Shriram Transport Finance Corporation Ltd. - 2024	1,000,000	-	-	130	13,00,00,000
10.70% Dewan Housing Finance Corporation Ltd. - 2024	1,000,000	-	-	450	45,00,00,000
Government Papers					
7.16% Government of India Loan 2023	100	3,500,000	319,489,800	-	-
8.15% Government of India Loan 2022	100	500,000	48,467,600	-	-
8.20% Government of India Loan 2025	100	2,000,000	193,807,800	-	-
8.15% Government of India Loan 2026	100	2,500,000	259,750,000	-	-
8.24% Government of India Loan 2033	100	3,000,000	316,158,750	-	-
8.28% Government of India Loan 2027	100	2,500,000	258,712,000	-	-
8.40% Government of India Loan 2024	100	9,000,000	936,059,400	-	-
8.60% Government of India Loan 2028	100	11,500,000	1,207,772,550	-	-
8.83% Government of India Loan 2041	100	3,500,000	369,551,000	-	-
TOTAL			**5,807,118,358**		**1,19,37,99,897**
Aggregate amount of quoted investments					
Equity			9,010		9,010
Bonds			1,897,340,448		1,19,37,90,887
Government Papers			3,909,768,900		-
Aggregate market value of quoted investments					
Equity			9,010		9,010
Bonds*			1,897,340,448		1,19,37,90,887
Government Papers**			3,909,768,900		-

* Bonds are valued at cost in case the market value is not available.

** Government papers are valued at cost as the market value is not available.

Note:

Bonds / shares / Government securities pledged with the banks / clearing corporation of India Ltd / Non- banking financial Companies is ₹ 5,796,269,720 (previous year ₹ 1,193,790,887)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 16		
INVENTORIES		
Equity shares	-	8,947,389
Preference Shares	-	192,339,100
Mutual Funds	-	2,007,185
Bonds*	2,570,666,060	4,059,330,409
	2,570,666,060	**4,262,624,083**
*Bonds pledged with the bank is ₹ 2,018,290,119 (previous year ₹ 3,895,976,496) & with NBFC is ₹ Nil (previous year ₹ 1,000,800)		
NOTE - 17		
TRADE RECEIVABLES		
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	205,326,404	378,985,705
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	4,362,847	251,209
	209,689,251	**379,236,914**
NOTE - 18		
CASH AND BANK BALANCES		
Cash and cash equivalents:		
Cash on hand	3,223,682	1,942,415
Balances with banks in		
- current accounts	53,803,568	106,428,275
- debit balance of Bank overdraft facility	9,683,850	50,078,635
	66,711,100	158,449,325
Other bank balances:		
- Earmarked balances (unpaid dividend accounts)	1,052,449	935,935
- Bank deposits with less than 12 months maturity	-	28,996,423
- Bank deposits with original maturity more than 3 months*	7,180,974	-
	8,233,423	29,932,358
	74,944,523	**188,381,683**
* (Under lien in favour of the trustees of MFL Securitisation Trusts)		
NOTE - 19		
SHORT TERM LOANS AND ADVANCES		
Secured, considered good		
Loans and advances to others	378,000,000	250,000,000
Unsecured, considered good		
Loans and advances to related parties :		
Deposits with directors and relatives	35,662,000	35,662,000
Loans and advances to others	13,048,342	190,451
Deposits	32,179,798	40,508,212
Prepaid expenses	17,354,310	8,941,401
Balances with government authorities	7,596,566	5,026,307
	483,841,016	**340,328,371**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE - 20		
OTHER CURRENT ASSETS		
Secured, considered good		
Current maturities of long term loans and advances to other parties	347,000,000	44,254,285
Interest accrued and due on loans to others	4,389,224	1,118,836
Unsecured, considered good		
Current maturities of long term loans and advances to other parties	40,000,000	-
Current maturities of long term loans and advances to employees	146,634	110,612
Advances recoverable in cash or kind or for value to be received	-	11,917
Interest accrued and due on fixed deposits	1,333,267	1,494,746
Interest receivable on investments	34,641,997	2,581,168
Receivable from Stock Exchange	94,453	251,371
Interest accrued but not due on Government Securities	103,899,698	47,476,920
	531,505,273	**97,299,855**

	Current Year ₹	Previous Year ₹
NOTE - 21		
REVENUE FROM OPERATIONS		
Sale of services (Refer note no. 33)	841,361,231	1,084,400,656
Income from trading in shares and securities (Refer note no. 34)	122,404,251	32,309,274
Brokerage	391,997,017	609,403,191
Interest income	812,347,525	674,849,203
Profit / (loss) on sale of current investments	323,360,489	5,033,965
Profit / (loss) on sale of non- current investments	8,677,019	-
Dividend income on current investments	1,858,312	881,299
Dividend income on non- current investments	9,213,225	11,775,628
	2,511,219,069	**2,418,653,216**
NOTE - 22		
OTHER INCOME		
Rent income	27,918,000	27,918,000
Interest income	6,306,714	2,943,552
Other non-operating income	1,249,953	309,265
	35,474,667	**31,170,817**
NOTE - 23		
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	368,653,809	339,398,425
Contribution to provident and other funds	3,042,755	1,390,850
Staff welfare expenses	3,541,990	5,469,946
	375,238,554	**346,259,221**
NOTE - 24		
FINANCE COST		
Interest expenses	749,487,979	552,219,841
Others borrowing costs	15,067,542	6,919,013
Interest on income tax	3,850,745	1,011,700
	768,406,266	**560,150,554**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Current Year ₹	Previous Year ₹
NOTE - 25		
OTHER EXPENSES		
Brokerage expenses	265,446,046	533,038,754
IPO Marketing fees	16,939,797	43,746,475
Sub arranger fees	102,792,875	127,032,800
Electricity expenses	5,858,414	5,463,084
Rent expenses	66,012,371	73,374,607
Repairs and maintenance		
- building	5,336,661	8,739,046
- others	3,410,472	2,971,971
Rates and taxes	12,335,755	6,366,903
Travelling expenses	28,670,573	30,104,783
Auditor's remuneration:		
as auditor	644,659	595,566
for other services	280,239	261,325
Professional fees	19,820,600	7,927,554
Printing and stationary expenses	7,961,364	10,900,927
Bad debts	4,869,155	525,000
Advertisement expenses	3,451,928	4,112,375
Business promotion expenses	30,996,431	40,724,611
Incentive expenses	154,365,116	57,630,982
Loss on sale of fixed assets (net)	2,398,172	2,600,101
CSR expenditure (Refer Note - 37)	10,963,864	-
Miscellaneous expenses	40,247,340	35,172,480
	782,801,832	**9,912,89,344**

NOTE - 26
CONTINGENT LIABITIES AND CAPITAL COMMITMENTS

Sr. No.	Particulars	As at 31.03.2015 (₹)	As at 31.03.2014 (₹)
1	**Contingent liabities (to the extent not provided for)** Corporate guarantee given by the Holding Company to a bank in respect of working capital demand loan and term loan taken by a subsidiary company	2,750,000,000	3,500,000,000
2	**Capital Commitments (as certified by the management)** Estimate amount of contracts remaining to be executed on capital account (net of advances)	10,962,227	-

NOTE - 27
THE SUBSIDIARY COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Sr. No.	Name of the Subsidiaries	Country of incorporation	Extent of holding (%)	Reporting currency	Effective date of becoming subsidiary
1	A. K. Stockmart Private Limited	India	100.00 (100.00)	Indian Rupees	20-Feb-06
2	A. K. Capital Corporation Private Limited	India	100.00 (100.00)	Indian Rupees	29-Jan-07
3	A. K. Wealth Management Private Limited	India	100.00 (100.00)	Indian Rupees	12-May-10
4	A. K. Capital (Singapore) PTE. Limited	Singapore	100.00 (100.00)	Singapore Dollar	29-Jul-13
5	A. K. Capital Finance Private Limited	India	98.51 (98.51)	Indian Rupees	4-Sep-08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE - 28
DIFFERENCES IN ACCOUNTING POLICY FOR DEPRECIATION:

Depreciation on tangible assets relating to the subsidiary companies, A. K. Stockmart Private Limited and A. K. Wealth Management Private Limited has been provided on Written Down Value Method as against Straight Line Method followed by the Company. Depreciation for the year on tangible assets includes ₹ 728,414 (previous year ₹ 772,210) calculated on such basis. The impact of the difference in the accounting policy has not been calculated, as the depreciation amount itself is not significant. The net block included in the consolidated financial statements in this respect as at 31 March 2015 is ₹ 2,767,667 (as at 31 March 2014 ₹ 2,056,771).

NOTE - 29
LEASES

A. Where the Company is lessee:

The Group has taken various residential and office premises under operating lease that are renewable on a periodic basis at the option of both the lessor and lessee.

The future minimum lease payments, in respect of non cancelable operating lease are as follows:

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Not later than one year'	23,703,296	10,959,196
Later than one year but less than five year	-	49.01.577

The amount of lease payments with respect to the lease recognised in the statement of profit and loss for the year is ₹ 24,053,488 (previous year ₹ 24,861,772)

The above disclosure is for leases entered after 1 April 2001, as per Accounting Standard (AS) - 19 'Leases' as notified by the Central Government of India.

B. Where the Company is lessor:

The future minimum lease payments receivable are as follows:

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Not later than one year'	-	-

The amount of minimum lease income with respect to the lease recognised in the statement of profit and loss for the period is ₹ Nil (previous year ₹ 19,737,726).

NOTE - 30
RELATED PARTIES AND THEIR RELATIONSHIPS:

A. Related parties and their relationships:

Key Management Personnel

Mr. A. K. Mittal
Mr. Deepak Mittal
Ms. Aditi Mittal
Ms. Sneh Lata Mittal
Mr. Ankit Gupta

Relative of Key Management Personnel

Mrs. Anshu
Mr. Abhinav Kumar Mittal
Mrs. Purvi Jain
A. K. Mittal HUF

Enterprise in which relative of key management personnel is having significant influence

M Square Automobile Private Limited
A. K. Capital Markets Limited

Notes

a) The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS)-18 'Related Party Disclosures' and the same have been relied upon by the auditors.

b) The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year except where control exists.

	Current Year ₹	Previous Year ₹
NOTE 30 (Contd.)		
B. Transactions with related parties		
Remuneration to directors (including perquisites)		
A. K. Mittal	20,256,000	23,052,774
Deepak Mittal	10,039,505	10,475,360
Abhinav Kumar Mittal	7,200,000	5,400,000
Aditi Mittal	2,750,000	1,500,000
Ankit Gupta	2,967,019	1,429,150
Sneh Lata Mittal	50,000	-
Remuneration to Relative of Key Management Personnel		
Anshu	9,182,851	-
Directors Sitting fees		
Anshu	20,000	70,000
Brokerage Received		
A. K. Capital Markets Limited	5,175	-
A. K. Mittal	61,912	-
Aditi Mittal	23,291	724
A K Mittal HUF	566	500
Anshu	-	9,286
Abhinav Kumar	7,709	-
Purvi Jain	13,379	5,475
Demat Charges Received		
A. K. Capital Markets Limited	875	-
A. K. Mittal	941	350
Aditi Mittal	881	441
A. K. Mittal HUF	350	325
Anshu	927	874
Abhinav Kumar	1,224	-
Purvi Jain	429	430
Rent paid		
A. K. Mittal	6,408,000	6,606,000
Anshu	3,528,000	3,528,000
Abhinav Kumar Mittal	5,169,600	5,169,600
Repairs and Maintenance charges paid for car		
M Square Automobile Private Limited	1,080,469	1,161,277
Purchase of Car		
M Square Automobile Private Limited	-	6,542,493
Advance for Purchase of Car		
M Square Automobile Private Limited	10,000,000	-
Refund of Capital Advance		
M Square Automobile Private Limited	-	1,046,689
Rent deposit given outstanding as at year end		
A. K. Mittal	16,250,000	16,250,000
Anshu	7,450,000	7,450,000
Abhinav Kumar Mittal	11,962,000	11,962,000
Balance Payable as at year end		
Anshu	2,27,163	-
Aditi Mittal	87	-
A. K. Mittal	1,022	-
Receivable as at year end		
M Square Automobile Private Limited	10,000,000	-
A. K. Capital Markets Limited	56	-
Anshu	562	558
A K Mittal HUF	56	58
Aditi Mittal	291	50
A. K. Mittal	158	-
Abhinav Kumar Mittal	37	-
Purvi Jain	905	16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE - 31
DISCLOSURE UNDER (AS)- 15 (REVISED 2005):

Consequent to the adoption of Accounting Standard 15 (AS 15 Revised 2005) on employee benefits, the following disclosures have been made as required by the standards:

Retirement benefits in the form of Provident fund are defined contribution scheme and the contributions are charged to the statement of profit and loss of the current year when the contribution to the respective fund is due. There are no other obligations other than contribution payable to the respective fund.

The following table sets out the unfunded status of the gratuity plan and the amount recognized in the financial statements as at year end:

		Gratuity (Unfuded)	
		Current Year ₹	Previous Year ₹
a.	**Change in present value of obligation**		
	Present value of obligation as at beginning of the year	13,871,658	13,329,207
	Interest cost	1,152,264	1,066,337
	Service cost	3,942,982	2,994,185
	Benefits paid	(270,642)	(1,018,273)
	Actuarial (gain)/loss on obligation	362,053	(2,499,798)
	Present value of obligation as at year end	19,058,315	13,871,658
b.	**Amount recognized in the Balance Sheet**		
	Present value of obligation, as at year end	19,058,315	13,871,658
	Fair value of plan assets as at year end	-	-
	Net liabilities recognized in the Balance Sheet	19,058,315	13,871,658
c.	**Expense recognized during the year**		
	Current service cost	3,942,982	2,994,185
	Interest cost	1,152,264	1,066,337
	Expected return on plan assets	-	-
	Net Actuarial (gain)/loss to be recognized	362,053	(2,499,798)
	Net periodic cost	5,457,299	1,560,724
d.	**Assumptions used in accounting for the gratuity plan**	**% (p.a.)**	**% (p.a.)**
	Mortality rate	LIC (2006-08)	LIC (2006-08)
	Discount rate	8.00	9.00
	Salary escalation rate	5.00	5.00
	Expected rate of return on plan assets	0.00	0.00

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTE - 32

(a) Additional information as required under Schedule III to the Companies act 2013, of enterprises consolidated as Subsidiary Companies:

Particulars	Net Assets		Share profit & loss	
	As % of Consolidated net assets	Amount ₹	As % of Consolidated profit & loss	Amount ₹
Parent Company :				
A. K. Capital Services Limited	82.69	3,173,286,076	44.19	18,30,55,019
Subsidiary Companies:				
a) Indian				
1. A. K. Stockmart Private. Limited.	4.95	189,837,866	3.68	15,127,588
2. A. K. Capital Corporation Private Limited	0.84	32,212,878	0.52	2,155,856
3. A. K. Wealth Management Private Limited	0.71	27,314,008	0.36	1,487,895
4. A. K. Capital Finance Private Limited	78.67	3,018,969,325	51.22	210,714,343
b) Foreign				
1. A. K. Capital (Singapore) PTE. Limited	0.53	20,462,641	0.27	1,126,187
Minority Interests in all subsidiaries	(1.17)	**(44,849,119)**	(0.76)	**(3,139,644)**

(b) Salient Features of Financial Statements of Subsidiary Companies as per Companies Act, 2013 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 :

Part "A" : Subsidiaries

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/Total income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
1	A. K. Stockmart Private Limited	INR	120,000,000	69,837,866	199,777,066	9,939,200	11,397,132	503,494,723	21,733,903	6,606,315	15,127,588	-	100%
2	A. K. Capital Corporation Private Limited	INR	21,000,000	11,212,878	33,324,289	1,111,411	-	3,301,386	3,169,143	1,013,287	2,155,856	-	100%
3	A. K. Wealth Management Private Limited	INR	22,500,000	4,814,008	28,459,374	1,145,366	-	7,769,717	2,045,925	558,030	1,487,895	-	100%
4	A. K. Capital (Singapore) PTE. Limited	INR	19,785,000	677,641	21,124,912	662,271	-	14,236,094	1,163,676	37,489	1,126,187	-	100%
		SGD *	399,108	51,288	464,973	14,577	-	300,000	24,000	790	23,210	-	
5	A. K. Capital Finance Private Limited	INR	199,500,000	2,819,469,325	9,489,009,887	6,470,040,562	5,635,068,307	1,040,627,199	285,028,576	74,314,233	210,714,343	-	98.51%

*** As at 31 March 2015 : 1 SGD= ₹ 45.4326**

1. Name of subsidiaries which are yet to commence operations : None
2. Names of subsidiaries which have been liquidated or sold during the year: None

Part "B": Associates and Joint Ventures

The Company doesn't have any Associates and Joint ventures

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE 33
DETAILS OF SALE OF SERVICES:

	Current Year ₹	Previous Year ₹
Merchant banking fees	717,250,017	869,099,640
Advisory fees	100,949,025	88,187,382
Service charges	128,191	98,584
Syndication and other fees	23,033,998	127,015,050
Total	**841,361,231**	**1,084,400,656**

NOTE 34
INCOME FROM TRADING IN SHARES AND SECURITIES:

	Current Year ₹	Previous Year ₹
Sales of shares and securities	77,760,546,899	68,777,446,847
Add: Closing inventories	2,570,666,060	4,262,624,083
Add: Transfer to Non Current Investment	-	363,554,690
Less: Opening inventories	4,262,624,083	4,677,196,538
Less: Purchases	75,946,184,625	68,694,119,808
Total	**122,404,251**	**32,309,274**

NOTE - 35
SEGMENT INFORMATION:

The Group operates in a single business i.e. "Investment and Financial Activity". Accordingly, no separate disclosures for primary business segment are required. The Group is considered to be operating in one geographical segment i.e. within India, as the total revenue / assets / result of an overseas subsidiary is less than specified percentage as per Accounting Standard on Segment Reporting AS-17.

NOTE 36
EARNINGS PER SHARE (EPS)

	Current Year ₹	Previous Year ₹
Net profit after tax after adjusting minority interest	411,429,816	351,923,890
Weighted average number of equity shares outstanding at the year end (No.)	6,600,000	6,600,000
Basic and diluted earnings per share (₹)	62.34	53.32
Nominal value of share (₹)	10	10

NOTE - 37
CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education, promoting gender equality, empowering women and ensuring environmental sustainability. The amount has been expended on the activities which are specified in Schedule VII of the Companies Act, 2013.

Particluar	₹
Gross amount required to be spent by the Group during the year	11,548,325

	Amount spent during the year	In Cash ₹	Yet to be Paid in Cash ₹	Total ₹
(i)	Construction/acquisition of any asset	-	-	-
(ii)	Donation for promoting education	1,09,00,000	-	10,900,000
(iii)	Donation for promoting preventive health care and sanitation	48,864	-	48,864
(iii)	Donation for empowering woman and setting up homes	15,000	-	15,000
	Total	1,09,63,864	-	10,963,864
	Short fall in CSR Expenditure			**584,461**

NOTE - 38

There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Accounting Standard (AS) – 28 'Impairment of Assets'.

NOTE - 39

In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

NOTE - 40

In the opinion of the management, diminution in the value of long term investments in shares is of temporary in nature in accordance with Accounting Standard - 13 "Accounting for Investments". Accordingly, carrying amount of such long term investment is not reduced to recognise such decline.

NOTE - 41

Previous year figures have been regrouped or rearranged, wherever considered necessary, to conform with the current year's presentation. The Company has reclassified previous year figures to conform to the current year's presentation.

Signatures to 1 to 41

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : May 24, 2015

On behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)

Deepak Mittal
Director
(DIN: 00043685)

Vikas Agarwal
Chief Finance Officer

Kanchan Singh
Company Secretary
(ACS: A24596)

Place: Mumbai
Date: May 24, 2015

A. K. Capital Services Limited

BUILDING BONDS

Registerd Office : Flat N, Sagar Apartment, 6, Tilak Marg, New Delhi - 110001

A. K. CAPITAL SERVICES LTD.

BUILDING BONDS

Registered Office: Flat N, Sagar Apartment, 6, Tilak Marg, New Delhi - 110001
Corporate Office: 30-39, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021
www.akcapindia.com | CIN:L74899DL1993PLC055524

NOTICE

Notice is hereby given that the 22nd Annual General Meeting (AGM) of the Members of A. K. Capital Services Limited will be held on Saturday, September 19, 2015 at 9.00 a.m. at Tivoli Garden, Resort Hotel, Chattarpur Road, New Delhi - 110030, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended March 31, 2015 including schedule and notes to financial statements, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare the final dividend on equity shares for the financial year 2014-15.
3. To appoint a Director in place of Mrs. Anshu (DIN: 01227279), who retires by rotation and being eligible, offers herself for re-appointment.
4. Re-appointment of M/s. Suresh Surana & Associates LLP, Chartered Accountants, [Firm Registration No. 121750W/W-100010], as Statutory Auditors of the Company.

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Suresh Surana & Associates LLP, Chartered Accountants, [Firm Registration No. 121750W/W-100010], be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 23rd AGM of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

5. **Re-appointment of Mr. A. K. Mittal (DIN: 00698377) as Managing Director of the Company**

   To consider, and if thought fit, to pass, the following resolution, with or without modifications, as an ordinary resolution:

   "RESOLVED THAT pursuant to provisions of Section 196, 197, 198 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable rules, regulations, guidelines and laws (including any amendments thereto or re-enactments thereof for the time being in force), the approval of the Members of the Company is hereby accorded to re-appoint Mr. A. K. Mittal (DIN: 00698377) as Managing Director of the Company for a period of 5 years starting from April 1, 2015 and ending on March 31, 2020 and liable to retire by rotation, on the following terms and conditions –

   Period of Service: From April 1, 2015 to March 31, 2020 (period of 5 years).

   Salary: Upto Rs. 14,00,000/- per month

   Perquisites: In addition to the salary, he shall also be entitled to perquisites such as rent free accommodation, provision of car and telephone at residence etc.

   Incentives and Bonus: On the basis of performance from time to time.

   Leave Travel Allowance: The Director and his family shall be entitled to Leave Travel allowance once in a year.

   Medical Expenses: Reimbursement of Medical expenses of the Director and his family.

   Other Terms: The Director shall adhere to and perform the duties as prescribed under the applicable provisions of the Companies Act, 2013, the rules made thereunder, Code of Conduct of the Company and all other applicable rules, regulations, guidelines and laws (including any amendments thereto or re-enactments thereof for the time being in force).

   RESOLVED FURTHER THAT any one Director of the Company or the Company Secretary be and is hereby authorized severally to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution including filing e-forms, for the purpose of compliance under the Companies Act, 2013.

   RESOLVED FURTHER THAT any one Director of the Company or the Company Secretary be and is hereby severally authorized to furnish a certified true copy of the resolution as and when required."

6. **Re-appointment of Mr. Deepak Mittal (DIN: 00043685) as Whole-time Director of the Company**

   To consider, and if thought fit, to pass, the following resolution, with or without modifications, as an ordinary resolution:

   "RESOLVED THAT pursuant to provisions of Section 196, 197, 198 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable rules, regulations, guidelines and laws (including any amendments thereto or re-enactments thereof for the time being in force), the approval of the Members of the Company is hereby accorded to re-appoint Mr. Deepak Mittal (DIN: 00043685) as Whole-Time Director of the Company for a period of 5 years starting from April 1, 2015 and ending on March 31, 2020 and liable to retire by rotation, on the following terms and conditions –

   Period of Service: From April 1, 2015 to March 31, 2020

   Salary: Upto Rs. 5,00,000/- per month

   Perquisites: In addition to the salary, he shall also be entitled to perquisites such as rent free accommodation, provision of car and telephone at residence etc.

   Incentives and Bonus: On the basis of performance from time to time.

   Leave Travel Allowance: The Director and his family shall be entitled to Leave Travel allowance once in a year.

Medical Expenses: Reimbursement of Medical expenses of the Director and his family.

Other Terms: The Director shall adhere to and perform the duties as prescribed under the applicable provisions of the Companies Act, 2013, the rules made thereunder, Code of Conduct of the Company and all other applicable rules, regulations, guidelines and laws (including any amendments thereto or re-enactments thereof for the time being in force).

RESOLVED FURTHER THAT any one Director of the Company or the Company Secretary be and is hereby authorized severally to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution including filing e-forms, for the purpose of compliance under the Companies Act, 2013.

RESOLVED FURTHER THAT any one Director of the Company or the Company Secretary be and is hereby severally authorized to furnish a certified true copy of the resolution as and when required."

7. **Issue of non-convertible debentures through private placement**

To consider, and if thought fit, to pass, the following resolution, with or without modifications, as a special resolution:

"RESOLVED THAT pursuant to section 23, 42, 71 and rules made thereunder and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any modifications or re-enactments thereof, for the time being in force), and subject to all other applicable statutory and regulatory requirements, the relevant provisions of the Memorandum and Articles of Association of the Company, the approval and/or consent of any statutory and/or regulatory authorities, if any, and the conditions as may be prescribed by any of them while granting any such approval and/or consent, as may be agreed to by the Board of Directors of the Company, (hereinafter referred to as 'Board', which term shall be deemed to include any committee constituted by the Board or any person(s) authorised by the Board in this regard), the approval of the Company be and is hereby given to the Board to offer or invite subscriptions for secured/ unsecured redeemable non-convertible debentures, in one or more series/ tranches to the eligible person(s) on private placement basis within the overall borrowing limits approved by the members from time to time.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to create, issue, offer, invite and allot the debentures in one or more offering(s), to eligible investor(s), as permitted by applicable statutes and regulations from time to time, by way of circulation of the private placement offer document or otherwise, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

RESOLVED FURTHER THAT the approval of the Company be and is hereby given to all offers of non-convertible debentures or invitations to subscribe to debentures during the period from the conclusion of this annual general meeting till the conclusion of next annual general meeting.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to do such acts, deeds and things as the Board in its absolute discretion may deem necessary or desirable in connection with offering, inviting, issuing and allotting the debentures, and to give effect to this resolution, including, without limitation, the following:

(i) offer, invite, issue and allot the debentures or any or all of them, subject to such terms and conditions, as the Board may deem fit and proper in its absolute discretion.

(ii) approve, finalise and execute any offer document including private placement offer document and to approve and finalise any term sheets in this regard.

(iii) do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, invitation, issue or allotment of securities.

(iv) settle any issues, questions, difficulties or doubts that may arise.

(v) finalise the basis of allotment of the securities."

For and on behalf of the Board of Directors

A. K. Mittal
Managing Director
(DIN: 00698377)

Place: Mumbai
Date : August 14, 2015

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE VALID, THE PROXY FORM MUST BE DULY FILLED IN ALL RESPECTS AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE MEETING IS ENCLOSED IN THE ANNUAL REPORT.**

2. A person can act as proxy on behalf of the members not exceeding 50 (fifty) in number and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting in respect of item nos. 5 to 7 is annexed hereto and forms part of notice.

4. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

5. The Register of Members and the Share Transfer Book of the Company will remain closed from Wednesday, September 16, 2015 to Saturday, September 19, 2015, (both days inclusive) for the purpose of payment of the final dividend for the financial year 2014-15.

6. Final dividend for the financial year 2014-15 as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid:

   (i) to those Members, holding shares in physical form, whose names appear on the Register of Members of the Company, at the close of business hours on Tuesday, September 15, 2015, after giving effect to all valid transfers in physical form lodged on or before, Tuesday, September 15, 2015, with the Company and/or its Registrar and Share Transfer Agent; and

   (ii) in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by depositories at the close of business hours on Tuesday, September 15, 2015.

7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

8. Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Share Transfer Agent of the Company i.e. Abhipra Capital Limited, A/387, Abhipra Complex, Dilkush Industrial Area, G. T. Karnal Road, Azadpur, New Delhi - 110033, quoting their folio number. Members holding shares in dematerialized form are requested to immediately notify change in their address, ECS mandate, bank accounts details, to their respective depository participants.

9. Members desirous of getting any information about the contents of the Annual Report are requested to write to the Company at its Registered Office at least 10 days before the date of the Annual General Meeting to enable the Company to keep the information ready at the Annual General Meeting.

10. Members are requested to

   i) bring their copies of Annual Report and the attendance slip duly completed and signed at the Annual General Meeting.

   ii) quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the meeting.

11. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

12. Electronic copy of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members who hold shares in dematerialized mode and whose email IDs are registered with the Depository Participants for communication purposes unless any member has requested a hard copy of the same. For those members who have not registered their email address, physical copies of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent in the permitted mode.

   a. In case, you are holding shares in demat form and you have not registered your email id with the Depository Participant, you are requested to register your email id with the Depository Participant at the earliest, so as to enable the Company to use the same for serving documents to you electronically.

   b. In case, you are holding shares in physical form and you have not registered your email id, you are requested to fill the "Email Registration Form" and send it to the Company's Registered Office address or email it to The email registration form is available at our website www.akcapindia.com.

13. Members desirous of receiving the dividend through Electronic Clearing Service (ECS) can fill the "ECS Mandate Form" and send it to the Company's Registered Office address or email it to The ECS Mandate Form is available at our website www.akcapindia.com.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

15. All documents referred to in the accompanying Notice and Explanatory Statement will be available for inspection at the Registered Office of the Company during normal business hours on working days up to the date of the Annual General Meeting of the Company.

16. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund.

17. Voting through electronic means

   I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting votes by the members using an electronic voting system from place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

   II. The facility for voting through ballot paper/polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot/polling paper.

   III. The Members who had cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

   IV. The remote e-voting period shall commence on September 16, 2015 (9.00 a.m. IST) and close on September 18, 2015 (5.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in electronic form, as on the cut-off date i.e. September 14, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by member, the same shall not be allowed to change it subsequently or cast the vote again.

V. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 14, 2015 may obtain the login ID and password by sending an email to cs@akgroup.co.in or evoting@nsdl.co.in by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on www.evoting.nsdl.com

VI. The process and manner for remote e-voting are as under:

A. In case a member receives an email from NSDL (for members whose email addresses are registered with the Company/Depositories):

i) Open the email and also open PDF file with the Client ID or Folio No. as password.

The said PDF file contains your user ID and password for e-voting. Please note that the password will be an initial password.

ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com

iii) Click on Shareholder – Login

iv) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.

v) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the email as initial password.

vi) The Password Change Menu will appear on your screen. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended that the shareholders should not share their password with any other person and take utmost care to keep their password confidential.

vii) Once the e-voting home page appears, click on e-voting: Active Voting Cycles

viii) Select "EVEN" (E-Voting Event Number) of A. K. Capital Services Limited i.e. 102544. Now you are ready for e-voting as Cast Vote page opens.

ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x) Upon confirmation, the message "Vote cast successfully" will be displayed.

xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

xii) Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer at oswalpunkaj@gmail.com or cs@akgroup.co.in, with a copy marked to evoting@nsdl.co.in

B. For those members whose email addresses are not registered with the Company/Depositories:-

i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM.

ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

C. Other instructions:-

i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no. 1800 222 990.

ii) You can also update your mobile number and email address in the user profile details of the folio which may be used for sending future communication.

iii) The e-voting period commences on September 16, 2015 (9.00 a.m. IST) and ends on September 18, 2015 (5.00 p.m. IST). During this period, shareholders of the Company, holding shares either in physical form or in electronic form, as on September 14, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by shareholder, the same cannot be changed subsequently.

iv) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on September 14, 2015.

v) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., September 14, 2015 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

vi) Mr. Punkaj Jain (CA Membership no. 091248), Practicing Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

vii) The Scrutinizer's shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

ix) The result on resolutions shall be declared on or after the Annual General Meeting (AGM) of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.

x) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.akcapindia.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE"), where the shares of the Company are listed.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5

The Nomination and Remuneration Committee of the Company in its meeting held on March 27, 2015 approved and recommended the Board to consider re-appointment of Mr. A. K. Mittal (DIN: 00698377) as Managing Director of the Company for a period of 5 years from April 1, 2015 to March 31, 2020 and liable to retire by rotation.

The Board of Directors ("the Board") at its meeting held on May 24, 2015, subject to the approval of the members in a general meeting, unanimously resolved for re-appointment of Mr. A. K. Mittal (DIN: 00698377) as Managing Director of the Company for a period of 5 years, within the meaning of the Companies Act, 2013 and the rules made thereunder.

Under the leadership and guidance of Mr. A. K. Mittal (DIN: 00698377), Managing Director of the Company, the Company has grown significantly both in terms of operations and profitability. The Board recommends the resolution for re-appointment of Mr. A. K. Mittal (DIN: 00698377) as Managing Director of the Company, for your approval.

None of the other Directors and Key Managerial Personnel and their relatives except Mr. A. K. Mittal is concerned or interested in the resolution. Mrs. Anshu, being a relative of Mr. A. K. Mittal deemed to be interested in this item of business.

Item No. 6

The Nomination and Remuneration Committee of the Company in its meeting held on March 27, 2015 approved and recommended the Board to consider re-appointment of Mr. Deepak Mittal (DIN: 00043685) as Whole-time Director of the Company for a period of 5 years from April 1, 2015 to March 31, 2020 and liable to retire by rotation.

The Board of Directors ("the Board") at its meeting held on May 24, 2015, subject to the approval of the members in a general meeting, unanimously resolved for re-appointment of Mr. Deepak Mittal (DIN: 00043685) as Whole-time Director of the Company for a period of 5 years, within the meaning of the Companies Act, 2013 and the rules made thereunder.

Mr. Deepak Mittal (DIN: 00043685) has contributed significantly to the growth and performance of the Company. The Board recommends the resolution for the re-appointment of Mr. Deepak Mittal (DIN: 00043685) as Whole-time Director of the Company, for your approval.

Save and except, Mr. Deepak Mittal (DIN: 00043685) none of the other Directors and Key Managerial Personnel and their relatives are interested in the resolution.

Item No. 7

As per section 23, 42, 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company may make an offer or invitation to subscribe to the debentures through an issue of a private placement offer letter with a previous special resolution of its members approving offer(s) or invitation(s) to subscribe to the non-convertible debentures of the company on private placement basis.

The Company in the ordinary course of its business, is required to resort to borrowings from time to time, including by way of loans, issue of debentures/bonds or other debt instruments, on private placement basis or otherwise, and through acceptance of fixed deposits. The intermix of borrowings depends upon the market conditions, tenor and cost of funds, tenor and security available in case of loans to be disbursed to customers etc.

Approval of the members is, therefore, sought by way of a special resolution for making offer(s) or invitation(s) to eligible persons to subscribe to the non-convertible debentures of the Company on private placement basis during the period from the conclusion of this annual general meeting till the conclusion of next annual general meeting, within the overall borrowing limits approved by the members from time to time.

The Board recommends passing of the special resolution set out in item no. 7 of this notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out in item no. 7

For and on behalf of the Board of Directors
A. K. Mittal
Managing Director
(DIN: 00698377)

Place: Mumbai
Date : August 14, 2015

Registered Office:
Flat N, Sagar Apartment,
6, Tilak Marg,
New Delhi - 110001
CIN:L74899DL1993PLC055524
Tel: 011-23381561
Fax: 011-23385189
Website: www.akcapindia.com
E-mail: cs@akgroup.co.in

BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director and DIN	Anshu (DIN: 01227279)	A. K. Mittal (DIN: 00698377)	Deepak Mittal (DIN: 00043685)
Date of Birth	25/09/1958	19/02/1955	21/09/1970
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	05/10/1993	05/10/1993	25/09/1999
Shares held in the Company as on March 31, 2015	172,275	558,665	Nil
Qualification/s	Diploma in Business Administration, B.A.	Chartered Accountant, LLB, M.A. (Eco), B.Sc.	Chartered Accountant, B.Com.
Expertise in specific functional area	Creating a strong client base with privileged brands thereby creating a niche segment with an excellent quality client base and empowering network of financial product distributors.	Over 15 years' experience as a practicing Chartered Accountant and over 22 years of experience in financial Service Industry. Expertise in handling cross-functional activities in the Debt markets, Investment Advisory, Financial Services, Fund & Fee based activities.	Expertise in origination and structuring for debt syndication, equity placement, financial restructuring, financial advisory for all state government undertakings (SLUs) and private sector corporates.
Directorships held in other companies	NIL	1. A. K. Capital Finance Private Limited 2. A. K. Wealth Management Private Limited 3. A. K. Capital Corporation Private Limited 4. A. K. Capital Markets Limited 5. A. K. Commodities Private Limited 6. A. K. Capital Retail Private Limited	1. A. K. Capital Finance Private Limited
Member/ Chairman of the Committees of Board/other Companies *	Chairperson – Stakeholders Relationship Committee of A. K. Capital Services Limited	1. Member – Audit Committee of A. K. Capital Services Limited	1. Member – Audit Committee of A. K. Capital Finance Private Limited 2. Member – Stakeholders Relationship Committee of A. K. Capital Services Limited

* *Only Audit Committee and Stakeholders Relationship Committee Chairmanship/Membership have been considered.*

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L74899DL1993PLC055524

Name of the Company: **A. K. CAPITAL SERVICES LIMITED**
Registered Office: Flat N, Sagar Apartment, 6, Tilak Marg, New Delhi – 110001
Tel: 011-23381561 | Fax: 011-23385189 | Website: www.akcapindia.com | E-mail: cs@akgroup.co.in

Name of the member(s) : _____

Registered address : _____

E-mail Id: _____ Folio No./ Client Id : _____ DP ID : _____

I/We, being the member(s) of _____ shares of A. K. Capital Services Limited, hereby appoint:

1. Name: _____
   Address: _____
   E-mail Id: _____ Signature: _____ or failing him/ her

2. Name: _____
   Address: _____
   E-mail Id: _____ Signature: _____ or failing him/ her

3. Name: _____
   Address: _____
   E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Company, to be held on the **Saturday, 19th day of September 2015 at 9.00 a.m.** at Tivoli Garden, Resort Hotel, Chattarpur Road, New Delhi - 110030 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
1	To receive, consider and adopt the Audited Financial Statements for the year ended March 31, 2015 including schedule and notes to financial statements, together with the Reports of the Board of Directors and the Auditors thereon.
2	To declare the final dividend on equity shares for the financial year 2014-15.
3	To appoint a Director in place of Mrs. Anshu (DIN: 01227279), who retires by rotation and being eligible, offers herself for re-appointment.
4	Re-appointment of M/s. Suresh Surana & Associates LLP, Chartered Accountants, [Firm Registration No. 121750W/W-100010], as Statutory Auditors of the Company.
5	Re-appointment of Mr. A. K. Mittal (DIN: 00698377) as Managing Director of the Company.
6	Re-appointment of Mr. Deepak Mittal (DIN: 00043685) as Whole-time Director of the Company.
7	Issue of non-convertible debentures through private placement.

Signed this ___ day of _____ 2015 Signature of shareholder _____

Affix ₹ 1/- Revenue Stamp

Signature of Proxy holder(s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

A. K. Capital Services Limited

(CIN: L74899DL1993PLC055524)
Registered Office: Flat N, Sagar Apartment, 6 Tilak Marg, New Delhi - 110 001
Tel: +91 11 23381561 | Fax: +91 11 23385189 | Website: www.akcapindia.com

ATTENDANCE SLIP

Twenty Second Annual General Meeting

(To be handed over at the entrance of the Meeting hall)

I/We certify that I am a registered shareholder / proxy for the registered Shareholder of the Company and hereby record my presence at the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Company on **Saturday, September 19, 2015 at 9.00 a.m.** at Tivoli Garden, Resort Hotel, Chattarpur Road, New Delhi - 110030 and at any adjournment thereof.

Full name of the Shareholder : _____

DP ID: _____ Client ID: _____

Folio No: _____ No. of Shares held: _____

Full name of the Proxy : _____
(To be filled in if the valid proxy has been duly lodged with the Company)

Signature of the Shareholder/Proxy _____

Notes:

(1) The electronic voting particulars along with the Remote E-voting Event Number, User ID and Password / PIN has been sent to your E-mail Id registered with the Company/Depositories.

(2) For electronic voting kindly log-on to E-voting website www.evoting.nsdl.com. Please read the instructions given at **Note no. 17** of the Notice of Twenty Second Annual General Meeting carefully before voting electronically.